

journalment until 12 o'clock tomorrow noon.

The motion was agreed to; and (at 5 o'clock and 25 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, July 11, 1967, at 12 o'clock meridian.

### NOMINATIONS

Executive nominations received by the Senate July 10, 1967:

#### DIPLOMATIC AND FOREIGN SERVICE

Kennedy M. Crockett, of Virginia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

#### SMALL BUSINESS ADMINISTRATION

Robert C. Moot, of Virginia, to be Administrator of the Small Business Administration, vice Bernard L. Boutin.

#### U.S. MINT

Marian N. Rossmiller, of Colorado, to be Superintendent of the Mint of the United States at Denver.

#### NATIONAL MEDIATION BOARD

Leverett Edwards, of Oklahoma, to be a member of the National Mediation Board for the term expiring July 1, 1970 (reappointment).

#### NATIONAL SCIENCE FOUNDATION

Dr. Roger W. Heyns, of California, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1970.

#### U.S. MARSHAL

Paul G. April, of New Hampshire, to be U.S. marshal for the district of New Hampshire for the term of 4 years (reappointment).

#### INTERSTATE COMMERCE COMMISSION

Dale Wayne Hardin, of Illinois, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1972, vice Charles A. Webb.

#### IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

#### To be Lieutenant general

Lt. Gen. Ashton Herbert Manhart, O18773, Army of the United States (major general, U.S. Army).

### WITHDRAWAL

Executive nomination withdrawn from the Senate July 10, 1967:

#### INTERSTATE COMMERCE COMMISSION

Dale Wayne Hardin, of Virginia, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1972, vice Charles A. Webb, which was sent to the Senate on June 7, 1967.

## HOUSE OF REPRESENTATIVES

MONDAY, JULY 10, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Thou shalt rejoice in every good thing which the Lord thy God hath given unto thee.—Deuteronomy 26: 11.*

Almighty God, our Father, again we come to Thee with gratitude for the rest and change of our recess and for the opportunity of serving Thee and our

CXIII—1147—Part 14

country this present hour provides. We pray that Thou wilt help these representatives of our people to face the challenge of these times with courage: to accept their responsibilities with confidence and to solve their ever-present problems with creative wisdom.

May they learn anew the lesson that the secret of finding life and happiness is not to do what you like to do but to learn to like what you have to do. In this spirit we pray and in this spirit may we do our work this day.

Our Father, we pray for him whose companion has entered into the life immortal. May the comfort of Thy spirit abide in his heart and in the heart of his family. Help them and us to trust Thee more fully, to remember that love and life are everlasting and that Thy mercy endures forever. May our sympathy draw us closer to him and to each other and make Thy presence more real in all our lives. Through Jesus Christ our Lord. Amen.

### THE JOURNAL

The Journal of the proceedings of Thursday, June 29, 1967, was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 43. An act for the relief of Mi Soon Oh;  
S. 171. An act for the relief of Timothy Joseph Shea and Elsie Annet Shea;

S. 388. An act to authorize the Attorney General to transfer an inmate of the District of Columbia jail to any other institution under the control and supervision of the Director of the District of Columbia Department of Corrections notwithstanding the pendency of a petition for a writ of habeas corpus with respect to such inmate, and for other purposes;

S. 440. An act for the relief of Dr. Julio Alejandro Solano;

S. 475. An act to provide an additional place for holding court in the district of North Dakota;

S. 910. An act for the relief of the estate of Patrick E. Eagan;

S. 945. An act to abolish the office of U.S. commissioner, to establish in place thereof within the judicial branch of the Government the office of U.S. magistrate, and for other purposes;

S. 1106. An act for the relief of Dr. David Castaneda;

S. 1257. An act for the relief of Kuo-Hua Yang;

S. 1398. An act for the relief of Irma Stefani Ruiz-Montalvo;

S. 1540. An act to amend chapter 235 of title 18, United States Code, to provide for the appellate review of sentences imposed in criminal cases arising in the district courts of the United States;

S. 1580. An act for the relief of John W. Rogers; and

S. 1648. An act to extend the authority for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States.

### ANNOUNCEMENT BY THE SPEAKER OF SIGNING OF ENROLLED BILLS

The SPEAKER. The Chair desires to announce that pursuant to the authority

granted him by House Concurrent Resolution 394, 90th Congress, he did on June 29, 1967, sign the following enrolled bills of the House:

H.R. 1516. An act for the relief of Giuseppe Tocco;

H.R. 1703. An act for the relief of Angiolina Condello;

H.R. 1763. An act for the relief of Dr. Raul E. Bertram;

H.R. 1764. An act for the relief of Dr. Ernesto M. Campello;

H.R. 1765. An act for the relief of Dr. Ubaldo Gregorio Catus-Rodriguez;

H.R. 3523. An act for the relief of Chang-You Wu, M.D.;

H.R. 4930. An act for the relief of Mr. Robert A. Owen; and

H.R. 7501. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1968, and for other purposes.

### DISCUSSION OF REPUBLICAN PROPOSAL FOR DEESCALATION OF WAR IN VIETNAM

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, eight of our Republican colleagues this morning have presented a proposal for a staged deescalation of the war in Vietnam.

While I have some reservations about the usefulness—and the philosophy—of this document, there is one statement of policy with which I am in total agreement. The authors warn against changing the nature of the war from a limited one to a total one. At the same time, they argue against a complete cessation of the bombing, which, as they put it, would "involve a great military risk to the United States." This is a reasonable approach—an approach that has been the cardinal policy of the administration, from the beginning of the Vietnam conflict.

But here I must part company with my eight Republican colleagues. My principal objection to their proposal is that it implies that the key to peace in Vietnam lies not in Hanoi, but in Washington. I categorically reject this implication. And I reject it on the basis of the facts.

The proposal may reflect good intentions, but it reveals a shockingly bad memory on the part of its authors.

Have they already forgotten that there have been 28 separate proposals for peace—accepted by the United States and rejected by the Hanoi regime?

Have they forgotten that President Johnson has literally searched the world—communicating with practically every head of state and meeting with practically every ambassador—to find terms acceptable to Hanoi?

Have they forgotten the vituperative reply that Ho Chi Minh made to President Johnson's letter earlier this year?

Have they forgotten that Ho Chi Minh has flatly stated that he will consider nothing short of a complete and unconditional cessation of the bombings?

Have they forgotten that America has on five separate occasions, ceased bombing in the north for a total of 52 days? It is common knowledge that we refrained from bombing an area of 300 square miles in and around Hanoi for the entire first quarter of this year—a period of cessation much longer than the Republicans are now calling for.

The meaning of all this is inescapable: The United States has led the way in proposing peace in Vietnam. But it takes two sides to negotiate, and Hanoi has not revealed the slightest interest in coming to the peace table.

So I would like to ask our eight colleagues this morning: Are they addressing these proposals to Washington—or to Hanoi? And perhaps even more to the point: Are they in possession of some new information as to the attitude of Hanoi that the administration is not aware of? If they are, I am sure that the President would be eager to learn what it is.

The record shows that as far as the Johnson administration is concerned, no stone has been left unturned, no rumor ignored, no advice unheeded, no plan left unexplored.

And yet, these eight members describe the administration's diplomacy as "unyielding and inflexible."

I think each Member of this body has heard both the President and the Secretary of State say that the United States would meet at the negotiating table by sundown if there were somebody there to meet with. If this is "unyielding and inflexible," then I need a new dictionary.

These same gentlemen imply that the United States is pursuing a policy of unconditional surrender. Yet, we are not asking for one acre of ground, the surrender of a single enemy soldier, or the abdication of the present regime in Hanoi. Our sole objective in Vietnam is a peaceful solution, acceptable to both sides. If this is a policy of "unconditional surrender," then we are living in "Alice in Wonderland."

For the benefit of those who seem to have forgotten what has come before, I think it is vital that we review the record.

On the diplomatic side, 28 separate proposals have been accepted by the United States and rejected by Hanoi. These proposals were offered by governments of both friendly and unfriendly nations. They were carefully considered, sincerely presented, and contained equitable and realistic conditions to deescalate the struggle and to begin solid negotiations for peace. I would like to review these proposals.

First. A reconvening of the Geneva Conference of 1954—and return to the agreements of 1954.

Second. A reconvening of the Geneva Conference of 1962 on Laos—and a return to the agreements of 1962.

Third. A conference on Cambodia.

Fourth. An all-Asian peace conference.

Fifth. A special effort by the two Co-chairman of the Geneva Conference.

Sixth. A special effort by the members of the International Control Commission—India, Canada, and Poland.

Seventh. A role for the U.N. Security Council—or the General Assembly—or the Secretary General.

Eighth. Talks through intermediaries—single or group.

Ninth. Direct talks—with the United States or with South Vietnam.

Tenth. Exchange of prisoners of war. Eleventh. Supervision of treatment of prisoners by International Red Cross.

Twelfth. Demilitarize the DMZ.

Thirteenth. Widen and demilitarize the DMZ.

Fourteenth. Interposition of international forces between combatants.

Fifteenth. Mutual withdrawal of foreign forces, including North Vietnamese forces.

Sixteenth. Assistance to Cambodia to assure its neutrality and territory.

Seventeenth. Cessation of bombing and reciprocal deescalation.

Eighteenth. Cessation of bombing, infiltration, and augmentation of U.S. forces.

Nineteenth. Three suspensions of bombings to permit serious talks.

Twentieth. Discussion of Hanoi's four points along with points of others, such as Saigon's four points and our 14 points.

Twenty-first. Discussion of an agreed four points as basis for negotiation.

Twenty-second. Willingness to find means to have the view of the liberation front heard in peace discussions.

Twenty-third. Negotiations without conditions, negotiations about conditions or discussion of a final settlement.

Twenty-fourth. Peace, and the inclusion of North Vietnam in large development program for Southeast Asia.

Twenty-fifth. Government of South Vietnam to be determined by free elections.

Twenty-sixth. Question of reunification to be determined by free elections.

Twenty-seventh. Reconciliation with Vietcong and readmission to the body politic of South Vietnam.

Twenty-eighth. South Vietnam can be neutral if it so chooses.

I would like to repeat that each of these proposals—regardless of the source—was accepted by the United States and rejected by Hanoi.

But even in the face of one diplomatic rebuttal after another, the United States did not cease its efforts to deescalate the war. On five separate occasions we ceased the bombing in North Vietnam without imposing any conditions on North Vietnam.

The first pause was for a 7-day period in 1965, from May 12 through the 17th. Hanoi's response was that the halting of the bombing was a trick.

In December 1965, there was a 36-day pause. Again, there was no change in Hanoi's belligerent attitude.

In December 1966, we paused twice for 2 days each. And in February of this year, we paused for another 5 days.

On five separate occasions we presented Hanoi with an opportunity for peace. And she used that opportunity to resupply her troops in the south.

This is the record of the U.S. Government. What is the record of Hanoi? It was stated bluntly on February 10 of this year in a letter from Ho Chi Minh to President Johnson. That letter asserted that the only way for the restoration of peace is this:

The U.S. Government must stop definitely and unconditionally its bombing raids and all other acts of war against the Democratic Republic of Vietnam, withdraw from South Vietnam all U.S. and satellite troops, recognize the South Vietnamese National Front for Liberation, and let the Vietnamese people settle themselves their own affairs.

In other words, Hanoi will not negotiate until the free world has turned over to the Communists the 15 million citizens of South Vietnam on a silver platter. And then, of course, there will be nothing to negotiate.

Mr. Speaker, there can no longer be the slightest doubt who wants peace and who wants the war to continue.

For his part, President Johnson has emphasized our Nation's determination to continue to press for negotiations.

We will not be discouraged. Nor will we be deterred from this quest to find a formula that will bring Hanoi to its senses and to negotiations.

But I again ask my colleagues: Have they received some indication that Hanoi has relaxed its position?

I ask them further: Are they transmitting their proposal in document form to Hanoi for its consideration?

President Johnson has said that we will talk without conditions or we will talk about conditions.

I can speak from experience when I say that there is no man in the world who wants peace more than Lyndon B. Johnson. And there is no man in the world who is working harder to achieve it. Hanoi may choose to ignore this fact. Some of our Republican colleagues may choose to question this fact. But the record of this Government speaks for itself. And so does the record of Hanoi.

#### MRS. FRANCES HUMPHREY HOWARD, A DEDICATED CAREER PUBLIC SERVANT

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, Mrs. Frances Humphrey Howard is well known to many of us as a dedicated career public servant. She now holds a position as program liaison officer for the Volunteer Foreign Aid Service, Office of Technical Cooperation and Research, Agency for International Development, to which she brings extensive experience as an educator, consultant to the United Nations, and a world traveler.

On June 5, 1967, Mrs. Howard addressed the eastern Massachusetts region of the women's American ORT—Organization for Rehabilitation Through Training—luncheon which was held at the Sheraton Boston Hotel. Mrs. Howard's well-presented perspective on the issue of foreign aid—one which is enigmatic to much of the public—was enthusiastically received on that occasion, and I would like to include here the text of her remarks for the consideration of my colleagues:



OUR PRIVATE AND PUBLIC EFFORTS IN FOREIGN  
AND(Address by Mrs. Frances Humphrey  
Howard)

I am delighted and deeply honored that you have asked me to be here today and to address this large charming and distinguished audience.

I note with pleasure that your luncheon has been planned around the theme "ORT International", and the presence here of representatives of several countries adds greatly to the international flavor of this event.

And all of this is as it should be. Yours is a world-wide organization dedicated to the rehabilitation of the underprivileged in many parts of the world through vocational training.

Organizations such as yours help promote a fellow feeling among men in many countries.

In these times when our security and aspirations are linked with the security and aspirations of freedom-loving people in many other lands, the responsibility for improving mutually beneficial international understanding and human well-being can be met only through a combined effort by all of us, in and out of Government.

In this respect also your organization is rendering a valuable service to our country as well as to the cause of international understanding, human well-being and peace.

Women's American ORT deserves much credit for the tremendous success of vocational training in many countries on five continents.

ORT has been helping teach thousands of formerly displaced persons the technical knowledge and skills which will make them useful and self-respecting members of society.

Moreover, the many workshops and trade schools maintained by ORT overseas contribute substantially to the economy and general welfare of these countries.

Naturally and understandably, a substantial part of your humanitarian efforts in spreading vocational education and other training is directed toward Israel. In fact ORT has helped much to make Israel what it is today—a land where people live in dignity, justice and equality for all.

Three weeks ago we shared a special gratification in observing the 19th anniversary of the rebirth in Israel. Israel today is a truly modern miracle. With faith in God and dogged determination, the people of Israel have rescued hundreds of thousands of persecuted human beings from all over the earth.

What has taken place in that land is a truly monumental achievement. Desert is being transformed into fertile valleys. Barren land has been made fruitful and productive. Its industrial output is increasing daily, and its economy is expanding at a phenomenal rate.

We hope and pray that peace will prevail in that area of the Near East, the dark clouds hovering there will be dispersed, and our efforts both within and without the United Nations will result in dispelling the fears which now plague the life of that region—a region sacred to the three great religions of Christianity, Islam, and Judaism.

Many among you in this hall are my personal friends and I happen to be acquainted with many more members of ORT in other parts of our country. I have therefore had ample opportunity to become familiar with the goals and philosophy of ORT.

The dignity of the individual and the concept of the brotherhood of man under the fatherhood of God is a cornerstone of your philosophy.

Our Nation, composed of many ethnic strains, races and religions, is dedicated to upholding human dignity and the concept of the spiritual nature of man. And if we

ever were to lose our sense of brotherhood, of kinship with all free men, we would have entered upon our Nation's decline.

It is true that many are the people who will agree with such a philosophy of the brotherhood and dignity of man, and men will often pay lip service to such noble ideals, but not many are those who will actually put these ideas and ideals into practice.

In this and other aspects, you who are active in the ORT movement deserve much praise. You are actually giving a new and vibrant meaning to the concept of being "our brother's keeper."

Another cornerstone of ORT philosophy is the recognition of brotherhood and equality of all immigrants—recent or old. Organizations such as yours have worked long and hard for the liberalization of the immigration laws of the United States and the abolition of that abominable national origins quota system.

That quota system, you will recall, was based on the fallacious belief that the place of birth, or the racial origin of a human being, should determine the quality of man's intellect or his moral character, or his suitability for assimilation into our Nation and our Society.

The Immigration Act of 1965 has cast the discredited national origins theory, devised in 1921, on the junk pile of other obscure and inhuman ideas that have been discarded long ago. And although the reform was a long time in coming, the fruit of the lengthy labor of good organizations such as yours is sweet.

The legislation enacted two years ago was a monumental step in establishing an immigration policy consistent with our times and based upon a man's family relationship and value to the United States.

Thanks to the concerted efforts of all of us, we need not—as we have over so many decades—hide our eyes in shame to the other nations of the world for the way we admit their people to our country. The lamp of the Statue of Liberty at the golden door has been rekindled and has banished forever those shadows that have dimmed its bright flame too long.

I also happen to know that ORT favors the broad objectives of the civil rights movement and deplores any barriers to equal opportunity.

In ancient times, people built walls around cities to protect themselves from barbarians on the outside. Now we do not have walls of stone to keep people outside from coming in, but we have psychological walls, economic and social barriers, which imprison people within the city slums and ghettos and areas of obsolescence.

The people of whom I speak are cut off from the mainstream of American life. They live as if they are a separate nation. President Johnson called it "the other nation" in his famous Howard University speech. In America there is no room for two classes of citizenship. This must be one nation with one citizenship.

We must understand there are no easy answers, no instant solutions, to problems generations in the making. The vital task of building a system of justice which treats all men alike—black and white, rich and poor—must be carried out everywhere in our country.

"Equal justice under law" is more than a slogan etched over the entrance of the Supreme Court. It is the foundation of our entire democratic system of government. But we should strive to translate legal promises of equality and freedom into reality.

It is one thing to demand the Federal Government to meet its growing responsibilities in civil rights. But it is another to generate in our states and localities the commitment and urgency required to produce significant improvement in the lives of people.

And it is one thing to overcome flagrant examples of racial prejudice—segregated hotels, buses and parks. But it is another to eliminate the more subtle and sophisticated techniques which effectively restrict true freedom of choice in jobs, education and housing.

The real change must take place within our hearts and minds. We should strive to bring this about because it is proper and just, because we have the moral obligation to match our promises with performances and to reward faith with fulfillment.

All of us are partners in this great effort to create a better society, a Great Society at home and a better community of free nations living together in peace, justice and freedom.

Building a great society is not the job of a President alone. It is not the sole responsibility of a Congress. It cannot be done only in Washington. It has to be the special goal of every citizen. Every American has to pitch in and improve the corner of the country where he lives.

This is a new working partnership among all elements of our society—Government, business, labor, the university, the voluntary organization, and the individual citizen—without regard for old jurisdictions and animosities, a partnership of free men and women, working through free institutions, for a common goal.

At home, we will continue to attack poverty through such weapons as community action and Headstart; rent supplements and child nutrition; aid to elementary and secondary education in poverty areas; the Job Corps; the Neighborhood Youth Corps; medicare and neighborhood health centers, and so forth.

Our goal for the next decade is modern medical care for every person of every age, whatever his means.

Our goal for the next decade is that the child born in America will have a normal life expectancy of 75 years; that the child born in America—no matter what color his skin—will have the same or better chance for life as the child born in Sweden, which has the lowest infant mortality rate in the world.

We set as our goal that the child born in America need no longer fear smallpox, measles, diphtheria, and whooping cough; that he no longer suffer the heart damage caused by rheumatic fever; that he will no longer fear tuberculosis as a serious threat to health and happiness.

Our goal for America is to cut the kill rate from heart disease, cancer, and stroke by 300,000 men and women each year.

We cannot settle for less. In fact, we ask for more; we want to find not only a longer, healthier life for every child and every citizen now living, we want also to find a happier life. We will find it. Our children and their children will be stronger and live longer because of the work we do today.

Some say we seek to create in America a welfare state. This is indeed a sad misunderstanding. What we seek to create is a state of opportunity. As the Vice President said recently, "we seek not to paralyze initiative, but to revive it; not to build up the opportunity of those below at the expense of those above—but to broaden the horizons of both; not to dictate the terms of help, but to allow each community to find its own answers in its own way."

That is what our national investments in the war against poverty, in health and education are all about. They are investments in opportunity, in self-help and personal initiative.

Now the question is can we afford all these programs? Should we cut back here at home?

The answer of all responsible economists is that we can afford to continue our efforts toward full opportunity for all Americans; toward social justice; toward making every American citizen a positive and productive

citizen who contributes something to his society.

The fact is that we cannot afford not to continue.

Some 11 million Americans have been reached in the past three years by our national programs for opportunity, and have begun their journey toward becoming self-sustaining, taxpaying citizens.

Our economy has been expanding for the past 6 years without interruption and our Gross National Product has already exceeded the three quarters of a trillion dollar mark.

Yes indeed, we can amply afford to spend a portion of our wealth to create a better, a happier society.

And, I repeat, we are all partners in this great effort to improve living conditions at home and abroad.

As you know, large sections of mankind are trying, in a rising tide of hope, to catch up with the 19th and 20th centuries. They look to us, as leaders of the free world, for help. And our response is, as it should be, more than words of compassion—it is deeds. Our response is in keeping with our best national traditions.

We must help developing countries because it is just and right. We must also help them because our own welfare demands it. It takes no great gift of perspicacity or foresight to realize that unless there is progress and unless there is growing satisfaction of just desires, there will be discontent, restlessness and turmoil.

The developing world would soon become a cauldron of violence, hatred, and revolution without some assistance. How would you feel if you were a member of a family whose total income was less than \$80 per year? Yet a majority of the people of the world have incomes of less than \$80 a year.

Under such conditions, communism, with its false and easy promises might well be able to transform these popular desires into an instrument of revolution. We should help these people even if communism never existed.

Be that as it may, every American who is concerned about the future of his country must also be concerned about the future of Africa, Asia, and our old friends and neighbors in Latin America.

Our foreign aid programs are helping the less developed free nations to acquire the human skills and capital resources they need.

Foreign aid has been attacking illiteracy in most of the less developed countries; feeding hungry people; helping people build decent places in which to live; and eradicating malaria and other diseases in various parts of the free world.

A.I.D. programs in education and health last year totalled \$350 million. Today, AID is financing educational teams from 71 American colleges and universities working in 38 countries. In the last 5 years, 240,000 classrooms were constructed with AID help. More than 500 million people have been freed from dangers of malaria with A.I.D. assistance.

Our programs have helped establish or improve industries in various free countries thus contributing to economic and political stability around the globe.

Yet no program of our Government has been more misunderstood and criticized. We still hear the tired and worn-out clichés about "give-away" programs, about "money poured down the drain" and so forth.

The myth that foreign aid is a give-away program should have died long ago. The actual cost of our economic assistance is less than one half of one percent—not one percent—less than one half of one percent of our Gross National Product.

Another important fact to remember is that the purchases of goods and services for foreign aid are financed right here in the United States.

Over 90 percent of the disbursements by

the Agency for International Development are estimated to be committed right here in the United States, thus creating jobs for Americans. Therefore, I repeat, foreign aid is an investment abroad that pays long-range and short-range dividends at home.

Of course, we are deeply concerned with the widening gap between food production and human needs in many areas of the world. Most of the world's population is losing the battle to feed itself.

Our war on hunger, therefore, is an intensive and sustained drive, led by the United States, to increase the supply of food throughout the free world. It aims to create the economic and technical capacity that each nation must have either to produce or buy commercially the food it needs.

The new Food for Freedom Act stresses the need for strengthening indigenous scientific and technological capacity in food and agriculture and describes self-help measures to increase per capita food production and improve storage and distribution.

A.I.D. now proposes to increase its investment in agriculture—to mobilize greater U.S. technology and resources by transferring American farming techniques and equipment to the developing countries; constructing fertilizer plants; establishing more extension services and financing research for better and nutritious crops.

Today, 1,300 A.I.D.-financed agricultural experts are working overseas; 2,000 foreign agricultural professionals are studying in this country under A.I.D. auspices.

A.I.D. projects are helping to irrigate more than a million acres in India, a half million acres in Pakistan, and a hundred thousand or more each in Korea, Afghanistan, Ecuador, Morocco and Tunisia.

Food output has been rising in the less developed countries, but it has not kept pace with rising population.

A solution to the population problem of each country must be found by the individual countries themselves, according to their cultures, needs, and traditions.

Solutions to such problems cannot be imposed from outside. But, as President Johnson said, "we will give help and our support to nations which make their own decision to insure an effective balance between the numbers of their people and the food they have to eat. And we will push forward on the frontiers of research in this important field."

Significantly complementing our official foreign assistance efforts are the private voluntary agencies. These are the associations formed by dedicated people such as you who seek to help people to help themselves.

Among these associations, ORT occupies a prominent and honored place. I am proud of my close association with these private groups. Our Government considers such voluntary efforts very important. In the Vice President's opinion, as he expressed it a few weeks ago, "the work of the Voluntary Agencies is the true Voice of America and the true spirit of this land."

And so, my charming friends, as we meet here today, in this atmosphere of beauty, serenity, peace and contentment, the wheels of the State Department's Agency for International Development are turning, and the representatives of the voluntary agencies such as ORT are hard at work, and the beneficial results are felt in distant lands—in many and varied ways, but always for the good of humanity.

Because of Women's American ORT efforts at home and abroad, young men and women in Tunisia or Morocco are achieving self-fulfillment and the satisfaction born of a good and creative life.

Because of Women's ORT efforts, a bright-eyed boy or girl in Israel may some day be placed on the road to great achievement in the fields of technology and science.

Because of Women's ORT efforts, hundreds of skills are placed into the hands and minds

of countless thousands around the world and doors are opened to life, freedom and dignity.

May ORT continue to grow and flourish for the benefit of humanity—for the benefit of all of us.

I thank you. You have been a wonderful audience.

#### WHY WERE U.S. MILITARY FORCES SENT TO THE CONGO AS SHOW OF SUPPORT FOR THE CONGOLESE GOVERNMENT?

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I am shocked to note that the United States has sent military forces to the Congo, ostensibly as a show of support for the Congolese Government. We have no treaty obligations there. Congress has not been asked to authorize or to appropriate funds for such a venture. Nor would we.

May I sadly remind those in power that we already have a war. It is half-way around the world in Asia, and the progress we are making there is painfully slow. It is now costing the lives of nearly 1,000 Americans a month. We do not want another war in Africa. It was a token intervention, much like the one in the Congo, which led to full-scale involvement in Vietnam.

It is inconceivable to me that we would attempt to settle civil disorders for other nations throughout the world. We have not even shown that we can solve our own. Through token intervention, we can invite similar involvement by the forces of other nations and find ourselves in a contest to get there first in every danger spot. It is altogether too obvious that this can lead to world conflict. There should be immediate withdrawal of American forces from the Congo.

#### DISPUTE BETWEEN NATIONAL EDUCATIONAL TELEVISION AND OTHER GROUPS CONCERNING THE PROGRAMING OF EDUCATIONAL TELEVISION

Mr. ADAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ADAMS. Mr. Speaker, we have recently been involved with a dispute between national educational television and other groups concerning the programming of educational television.

I am inserting in the RECORD today a fine editorial by Mr. John Voorhees in the Seattle Post-Intelligencer, Wednesday, June 7, 1967, indicating the type of programming which can be done and which will, in my opinion, provide an incentive for even finer programming on the networks:



## PUBLIC TV AND NET

(By John Voorhees)

The current issue of Newsweek has a provocative, sometimes puzzling report on PTV's future, an article by Joseph Morgenstern who waxes enthusiastic about the subject but who also spouts more than a little nonsense, particularly in reference to N.E.T.

There are passages which sound as if Morgenstern were out "to get" National Educational Television—he condescends to describe N.E.T.'s programming as "competent," talks about "pussyfooting documentaries," terms programs like "A Time for Burning" and "The Way It Is" as "interesting." Since Morgenstern is so critical of N.E.T., one wishes he could point to similar fine efforts by commercial networks.

And he is dead wrong in insisting there's an absence of "unsafe, unpopular, unexpected views" in N.E.T. programming. It was first to question Vietnam—"The Mills of the Gods" may have been a Canadian film but it was the first critical documentary seen on American TV. It had a thoughtful series on the Far Right and the Far Left and explored the "new morality" prior to the commercial networks. And the excellent, comprehensive "Arts: USA" series spotlighted controversial art, poetry and drama that has yet to be seen on commercial TV.

Morgenstern is right in saying PTV needs money, fresh ideas, more showmanship—but his idea that N.E.T. is afraid of getting good enough to compete with commercial TV is nonsense. N.E.T. is already competing in news, drama and public service—last night's on-the-spot "News in Perspective" is a case in point. It isn't competing in the silly entertainment series that certainly have their place but are hardly indicative of what TV should be at its best. Expecting PTV to always be entertaining is a contradiction in terms—like a "fun war."

Morgenstern is also correct when commenting on the future danger of local station managers who may want to play it safe and keep PTV uncontroversial. PTV is going to be an increasingly important force in the years ahead and now is the time for all Americans who feel TV should be so much more than it is to do everything possible to support it.

But to attempt to give it lip service on one hand, while making snide remarks about N.E.T., which has practically singlehandedly, with the Ford Foundation, given educational TV the stature it has attained, is not only ridiculous but insulting.

Crisis condition—The three networks dumped their re-runs to provide full coverage of the UN Security Council's emergency session Tuesday night, followed by wrap-up comments by network analysts, the most complete being that on CBS with Mike Wallace in charge.

But N.E.T. never spent Ford money for interconnection more wisely than it did Tuesday night in arranging for a special "News in Perspective" session (at 8 p.m., (Channel 9)). The opinions and background information of Lester Markel, Hanson Baldwin, C. L. Sulzberger and Max Frankel offered welcome information to combat the rhetoric of the diplomats at the UN.

The four men interestingly and thoroughly explored the past, present and future of Israel, the Arab nations and the UN, giving viewers the invaluable depth reporting that the commercial networks so seldom have the time for. It was an evening that showed how commercial TV and PTV can complement each other.

#### THE HERITAGE OF ST. LOUIS UNIVERSITY, FIRST BEYOND THE MISSISSIPPI

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my re-

marks at this point in the Record and include copy of joint resolution introduced today.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I am today introducing a joint resolution (H.J. Res. 691) to provide official recognition by the Government of the United States of the forthcoming sesquicentennial observance beginning next year of the founding of St. Louis University, the oldest university beyond the Mississippi and the one most deeply involved in the development of the American West.

The university was founded on November 16, 1818, at a time when no State of the Union lay entirely west of the Mississippi and of all of the vast territory of the Louisiana Purchase, only Louisiana had been admitted as a State. The great regions of Texas and California were still parts of another nation. The Erie Canal had not yet connected the Atlantic with the Great Lakes. The Great National Road had barely reached the headwaters of the Ohio River. On the Western Plains, Sitting Bull and Crazy Horse were young braves, who could hardly be aware of the irresistible tide of the white man that would sweep through the West in their lifetimes.

St. Louis University taught the sons of William Clark, Pierre Chouteau, Joseph Roubidoux, Toussaint Charbonneau and his Indian wife, Sacajawea, Judge Silas Bent, Gov. Alexander McNair, and Senator Ninian Edwards, and of other explorers and statesmen of the West. It taught men who themselves explored and developed the western country including Marcellin St. Vrain, Joseph Primeau, the Bent brothers—stabilizers of the Santa Fe Trail—and Pierre Jean De Smet, missionary extraordinary among the Indians of the Northwest.

Even before New Mexico became territory of the United States, students from there and other provinces of our sister Republics to the south came to St. Louis University for their education. Three of these young men later represented the Territory of New Mexico in the U.S. House of Representatives.

"TR" NOTED ITS VAST INFLUENCE ON THE WEST

On his visit to the school at the time of the Louisiana Purchase Expedition in 1904, President Theodore Roosevelt commented on the influence of St. Louis University in the West. The President said:

I have been much in the West, and I have come across the traces of your work both among the communities of our own people and among the Indian tribes; and it is indeed a pleasure to be here today . . . as the guest of the first and oldest University founded in our country west of the Mississippi in this Louisiana Purchase.

From the time when President Jefferson purchased the Louisiana Territory from Napoleon until the present hour, the story of the West has been the story of cooperation between the Federal Government and the communities and the people of the West. This has been eminently the pattern at St. Louis University. The Federal Government and the

municipal government of St. Louis subsidized the education of certain groups of students in its earliest years. One of the most colorful personalities among them was Toussaint Charbonneau, the son of one of the guides of the Lewis and Clark Expedition, who was destined to be a prominent western guide later on.

#### FEDERAL SUBSIDY TO JESUIT FATHERS TO EDUCATE INDIANS

The Jesuit Fathers, who have staffed the school since 1829, and requested its university charter in 1832, came to the Middle West under the joint sponsorship of President James Monroe and Bishop Louis W. V. Du Bourg, of Louisiana. Secretary of War John C. Calhoun had launched a program of help for the Western Indians in 1819. The Government offered to defray up to 75 percent of the expenses entailed by any religious, educational, or philanthropic group that offered a satisfactory program for the improvement of the tribes. Under this proposal, in 1823, Bishop Du Bourg offered an estate near the conflux of the Missouri and Mississippi Rivers as a site for a combined Indian school and Jesuit seminary. The Government provided a subsidy to start the St. Regis Indian Seminary. Some of the greatest missionaries of the American West, preeminently Pierre Jean De Smet, gained their first knowledge of American Indians at this school. Other seminarians prepared to teach at St. Louis University.

This cooperation with the Federal Government, so pronounced during the school's early years, again became evident after the outbreak of World War II, when Parks Air College, now a constituent part of St. Louis University, trained one out of every 10 fliers in the Army Air Force.

#### ST. LOUIS UNIVERSITY A KEY FACTOR IN CITY'S URBAN RENEWAL

In recent decades, St. Louis University stood as a stabilizing influence in the center of the city of St. Louis, when many individuals and other institutions were fleeing to the suburbs. Its campus erected a wall against the spread of urban decay. It formed an island from which the community could launch its inner city restoration. Its expanded campus now forms an integral part of the city's large urban redevelopment program.

When President Lyndon Johnson, the third Chief Executive to visit the St. Louis University campus while in office, went to St. Louis to launch the city's bicentennial celebration, he planted a maple tree next to the Busch Memorial Center. He said:

This city and this campus are now and will continue to be in the forefront of our nation's leadership in this new age of science and technology.

On March 11, 1967, an article in the Saturday Review singled out St. Louis University as an exemplar of how an urban university can cooperate with the community for the betterment of all citizens. It stated:

A number of universities have made a good deal of headway in this difficult field of community adjustment and community service. One of them is St. Louis University, which has reached out to serve the whole metropolitan area, whether by easing tensions in

the inner city or by bringing the benefits of good music and art to the people. In urban renewal, it has done a remarkable job.

#### TEXT OF HOUSE JOINT RESOLUTION 691

Mr. Speaker, the observance by St. Louis University of its forthcoming 150th anniversary is an event in which all Americans who are proud of the great heritage of this country, and of the courage and foresight of the brave men and women who explored and settled the western half of our Nation, would want our Government to participate.

In the city of St. Louis, and in the State of Missouri, we are deeply involved in this impressive anniversary. All of the areas of the West which have been the beneficiaries of the scholarship and compassion and guidance of the Jesuit Fathers who made this University great should have some means of joining in the celebration of one of the notable events of American educational history.

Therefore, I have submitted, for appropriate reference and, I hope, early action by the House, a joint resolution which extends the greetings and felicitations of the people of the United States, through their Government, to those who today carry on the work so well begun in November 1818, in the founding of the first and, in a great many respects, the foremost university of the West, St. Louis University.

My own ties to this fine institution are many, particularly through my husband, the late Congressman John Berchmans Sullivan, who was throughout his life proud of the training he had received at St. Louis University as an undergraduate and as a student of law, and whose attachment to his alma mater I came to share.

The text of the House joint resolution relating to the forthcoming 150th anniversary of St. Louis University is as follows:

#### H.J. Res. 691

Joint resolution extending greetings and felicitations to Saint Louis University in the city of Saint Louis, Missouri, in connection with the 150th anniversary of its founding

Whereas Saint Louis University, founded in 1818 and formally chartered by the General Assembly of Missouri in 1832, was the first institution of higher learning to be established west of the Mississippi River; and

Whereas its early administrators and members of the faculty were members of the Society of Jesus who came to Missouri with the cooperation and aid of the then Secretary of War, John C. Calhoun; and

Whereas certain members of the Society of Jesus performed invaluable service for the United States in its relations with the Indians and were consultants to various Presidents of the United States; and

Whereas the Jesuit Fathers explored and arranged important councils between the Indians and the United States Government and were able to make suggestions to the United States Government for the alleviation of Indian problems; and

Whereas the University served as friend and consultant to several of the official explorers of the Trans-Mississippi and was alma mater to others, pioneers, and settlers of the West; and

Whereas there have been members of the Cabinet of the President of the United States, and several Congressmen, Senators, Governors, and statesmen who can be counted among its alumni; and

Whereas its graduates have founded many schools as well as other institutions of higher learning throughout the United States; and

Whereas in a century and one half the University has enhanced the prestige of American scholarship and scientific research and has contributed to the advancement of learning, the betterment of the professions, and the enrichment of the community; and

Whereas in the past decade, the University has expanded its physical facilities and stabilized a decaying area of the city of Saint Louis; and

Whereas Saint Louis University will during 1968-69 celebrate its founding by significant intellectual and cultural events, under the theme "Knowledge and the Future of Man," at which illustrious scholars and personages will attend; and

Whereas these activities connected with the anniversary will be devoted to furthering and developing the values implicit in the theme; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Government of the United States extends its greetings and felicitations to Saint Louis University, its President and board of trustees, its faculty and students, and urges the citizens of the United States to cooperate with the university anniversary observances to promote the deepening of human understanding and the enlargement of human knowledge for the common good of all men.

#### RATES ON JUNK MAIL SHOULD BE RAISED BEFORE TAXES

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER of West Virginia. Mr. Speaker, as the cost of the war in Vietnam increases beyond what had been anticipated, and as the budget deficit mounts, there has been considerably more talk about an increase in personal and corporate taxes. In fact, I was rather interested in a startling headline in the financial section of the Sunday New York Times, reading "Support Growing for Higher Taxes." This new analysis by Robert A. Wright commences with these sentences:

Reluctantly, some businessmen have concluded that a tax increase is needed. With an eye on the mounting Federal deficit and another on the Vietnam situation, an increasing number of executives believe that a tax increase is the most realistic course, if not the most preferable.

The taxes which people and businesses pay provide revenue for many different services. Over \$400 million annually out of these taxes goes to make up the deficit created because third-class mail pays only a little over 60 percent of what it costs the Post Office Department to deliver it. Every time you pay your tax bill, part of it goes to help subsidize the direct-mail industry. Under our free enterprise system when a business is already making a good profit, as the third-class mailers are, why should the rest of the taxpayers kick in to help them make an even greater profit?

This week the Postal Rates Subcom-

mittee will probably take action on the first comprehensive postal rate bill we have had since 1962. Before we even consider raising personal and corporate income taxes, we should raise the rates on third-class mail so this class of mail pays 100 percent of its way, instead of the very mild increase to 80 percent which is being advocated in the administration bill.

As I have repeatedly and publicly stated, I also feel that there is a strong and valid case for raising second-class rates even beyond the level advocated in the administration bill. For example, a surcharge on magazines with circulations over 500,000 would be advisable.

These steps should be taken firmly before talk about either a first-class postal rate rise, or an increase in taxes. There is a far stronger argument today than six months ago for tapping the available revenue sources before deciding on the feasibility of a tax increase.

Now is the time to require profitmaking enterprises to pay the full cost of mailing their advertising instead of expecting the taxpayers of this Nation to subsidize this class of mail.

#### THE ACTIVITIES AND ACHIEVEMENTS OF THE AMERICAN FARM BUREAU FEDERATION

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, my attention has been called to an attack recently made on this floor by one of my colleagues from New York against the Farm Bureau.

In essence that attack contended that the Farm Bureau was not a bona fide organization of farmers properly concerned with matters of farm policy, but was in reality a gigantic insurance combine masquerading as an organization of farmers.

These are very serious charges, Mr. Speaker. As one who has served in this House for more than 8 years, and who has worked closely with members of grassroots Farm Bureau groups throughout upstate New York during all those years, and as the New York State Member of Congress whose district includes more Farm Bureau members than any other New York district, I must say most emphatically that this charge that the Farm Bureau is not an organization of farmers but a massive insurance combine masquerading as farmers is simply not true as far as my experience is concerned.

I am frank to say that I have not always agreed with all the views and recommendations of Farm Bureau groups in my district, any more than I have always agreed with every single recommendation of any kind of organization, farm or otherwise. But in 8½ years of working closely with Farm Bureau members and Kitchen Konferenzen throughout my district I know that Farm



Bureau members are not only farmers but good farmers. They are devoted to their profession and they take a very conscientious interest not only in farm legislation but in all kinds of legislation affecting our country. In fact I know of no group more conscientiously interested in what goes on in Washington than the Farm Bureau.

I may not always agree with them but I certainly warmly welcome their interest and their views and I hope they continue that very useful, very patriotic, and very conscientious effort.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I am happy to yield to the gentleman.

Mr. ARENDS. Mr. Speaker, I want to commend the gentleman on his laudatory remarks concerning the Farm Bureau. I too have had a great experience with the Farm Bureau organization, both nationally and in my home State of Illinois where they have a tremendous membership. They are objective in their approaches, and they try to do a public service, and in my humble opinion they do an extraordinarily fine job.

Mr. STRATTON. Mr. Speaker, I certainly appreciate the comments of the distinguished gentleman from Illinois.

I might just make this additional comment. The impression has been given that lots of nonfarm families join the Farm Bureau, not because of their interest in agriculture, but in order to buy certain insurance policies available to Farm Bureau members. Well, I have done a little research on this point in my home district, and I think it will be of interest to Members of this House that in the eight counties of my district, for example, those members of the Farm Bureau who also participate in Farm Bureau insurance programs range from 31 to 82 percent of the total county membership. If only a portion of those who join the Farm Bureau bother to obtain the insurance benefits that are available to members of the organization, it hardly looks as though the insurance benefits are so lush and so desirable that vast throngs of nonfarm families, as has been suggested, are joining the Farm Bureau simply to take advantage of its available insurance benefits.

In fact, in all of New York State, I am informed, only 6,309 Farm Bureau members out of a total statewide membership of 14,185, or in other words 44 percent, have participated in Farm Bureau's insurance benefits.

Actually, there is nothing very unusual in an organization's offering special insurance benefits to its members. I have long been a member of the Reserve Officers Association, for example, and I know that periodically special insurance programs are offered to us by virtue of our membership in that group.

#### SPECIAL ORDER TO BE GIVEN ON THE VIETNAM WAR

Mr. MORSE of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to

the request of the gentleman from Massachusetts?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, I am gratified indeed at the qualified endorsement which the distinguished majority leader has given to a proposal which several Republican Members have endorsed concerning the situation in Vietnam.

Mr. Speaker, I will not respond to the questions he raised in his remarks a few moments ago, but I would merely call the attention of the Members on the floor that later in today's proceedings I will, under a special order, on behalf of seven of my colleagues from the minority side put forth this plan, and I earnestly hope that many Members will want to take part in what I believe will be an interesting and stimulating debate at that time.

#### THE ADMINISTRATION HAS NOT MADE A CASE FOR INCREASED TROOP COMMITMENT IN VIETNAM

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, Secretary McNamara is in Vietnam as a part of the publicity buildup in support of a major increase in troop strength there.

The Congress should demand thorough and detailed justification for any increase. Before our troops get more deeply involved in a war on the Asian mainland, basic questions must be answered satisfactorily by the administration. The President's warmaking powers are not open ended with no restraint except his own self-restraint.

Congress should demand its proper, constitutional voice in this decision. No one can reasonably contend that the Gulf of Tonkin resolution of 1964 or President Johnson's electoral victory that year gave him a mandate to send ground forces without limit into Vietnam. Indeed the resolution and the President's subsequent victory at the polls occurred while he was warning against U.S. involvement in an Asian land war.

A new resolution giving the President specific authority to commit additional ground forces to Vietnam should be required before any increase occurs. In my opinion, the administration at this point has not made a case for an increase.

#### U.S. INTERVENTION IN THE CONGO

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, the action by President Johnson in sending three C-130 transport planes to participate in

the rebellion in the Congo ought to be condemned by every thinking American.

These military aircraft, manned by U.S. Air Force crews and paratroopers from the 82d Airborne Division, have been dispatched without the slightest approval of Congress. These planes, crews, and combat troops have not been sent to the Congo to evacuate American nationals. According to the State Department, they have been dispatched primarily to airlift Congolese troops and military equipment.

In other words, President Johnson has injected the United States into still another rebellion around the world, this time in support of the so-called President of the Congo, Lt. Gen. Joseph Mobutu, who clearly demonstrated a year ago that he is, in fact, one of the world's most brutal military dictators.

Mr. Speaker, what will happen if the Communists also decide to intervene in the Congo rebellion by sending Mig jet fighters to stop the use of U.S. transports?

Mr. Speaker, the United States cannot longer attempt to police and finance the rest of the world. Are we also scheduled to intervene in the rebellion in Nigeria and every other fracas in Africa?

Congress ought to take action immediately by telling Lyndon Johnson to get those planes, crews, and paratroopers out of the Congo and back to the United States as fast as it is possible to do so.

#### WILL THE REAL KOSYGIN STAND UP? THE ONE THAT VISITED PRESIDENT JOHNSON OR THE ONE THAT VISITED CASTRO?

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, I just wonder if the real Mr. Kosygin will stand up. I know that many of the students and parents who lauded and applauded in Glassboro at the university when Kosygin took the platform and pledged supposedly himself and his country to peace that those students were heartened by those words. It is understandable why. However, that heartening reaction became disenchantment and disheartening immediately thereafter when Kosygin went to Cuba to consort with Castro, who is building and continuing to build a Communist-dominated island, and to peddle revolution throughout this hemisphere and throughout the world from this Communist seedbed island 90 miles from the shores of the United States of America.

I was hoping that there would be some evidence of the Communist-an-nounced—at Glassboro, that is—peaceful intent there in Cuba as well, as a result of Kosygin's visit. But I have seen no retraction of the announced meeting of another tricontinental meeting to return to Havana on July 28, 1967, which is just

a few days from now, at which time some 27 Communist revolutionary action organizations will meet with Castro and, conspiring and using war materiel provided by the Communists, are to renew plans to inflame further revolution of a Communist nature throughout this hemisphere and throughout the world.

So I say today, Will the real Mr. Kossygin stand up? I think I know which one he really is. The record and history shows it. But if he is going to put out any Communist fires threatening world peace let him put one out in Cuba to start with. That is something that the Communists are not going to do and have not done. To the contrary they are intentionally building Cuba as a Communist revolutionary export island 90 miles from our shore.

Reminiscent of assurances given in the 1962 missile crisis when the Russian Ambassador was assuring President Kennedy that no missiles were in Cuba at a time when they were being put in operational status, is it not?

How often are we to gullibly be taken in by Communist duplicity and deceit?

#### SUPPORT OF THE PRESIDENT'S ACTION IN AFRICA

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, it is in the interest of the United States and of the world that the territorial integrity of the Congo and of other African countries be protected. I was not consulted as to what happened in the Congo, but I was in Chicago yesterday, and early yesterday morning I was called up and informed as to the sensible Congo determination before a public announcement was made. I said that speaking for myself and I thought for my subcommittee, the Subcommittee on Africa of the Committee on Foreign Affairs, I completely approved of what had been done. We were sending in no armed men, no armaments, only furnishing three airplanes for communication in the interest of peace. I think it is very necessary that the territorial integrity of all of the African countries should be preserved. I think it is possible that in the future the trend will be toward federations, as in the case of Kenya, Uganda, Tanzania, and Zanzibar, but at the present time it would be nothing short of tragedy, if existing countries should break into pieces, several small nations instead of one large and relatively powerful nation.

In regard to Nigeria, I think it is well known that it is the hope of our country and our Government that domestic quarrels may be resolved and that Nigeria may remain intact, territorially, perhaps ultimately to fulfill her destiny as one of the great nations of the world.

Mr. Speaker, I do think that within 50 years there will be in Africa one of the great nations of the world, and I do hope that in this uneasy present time

every effort of our Government will be made within the proper limitations to preserve the territorial integrity of the African countries and as far as it is within our power by peaceful means to prevent them breaking up into parts.

#### BANKRUPTCY OF U.S. POLICY TOWARD NATO

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FINDLEY. Mr. Speaker, the House Republican Committee on Western Alliances, continuing a study of the NATO decline, issued on July 5 a second statement in the series which sharply denounced the administration for neglect of the Atlantic alliance, demonstrating that the bankruptcy of American diplomacy toward the West is weakening the institutional ties provided by NATO.

Contrasting President Kennedy's July 4, 1962, declaration of interdependence with the deterioration of Atlantic relations, the committee said that since President Kennedy's appeal, U.S. policy has steadily "undermined the unity and vitality of the Atlantic alliance."

In its analysis, the committee unfolded a factual, chronological record of administration failures. It blamed the Government for failing to utilize NATO channels, for unilateral actions pursued without consultation with NATO partners, for refusing to accommodate legitimate allied demands and interests, and for routine employment of allies as mere executors of American military doctrine.

The statement was prepared by a committee team consisting of Representative SEYMOUR HALPERN and Representative MARVIN L. ESCH.

Other members of the committee, which I serve as chairman, are: Representatives E. ROSS ADAIR, WILLIAM O. COWGER, WILLIAM C. CRAMER, SHERMAN P. LLOYD, ROGERS C. B. MORTON, WILLIAM S. MAILLIARD, ALEXANDER PIRNIE, ALBERT H. QUIE, WILLIAM V. ROTH, HERMAN SCHNEEBELI, CHARLES W. WHALEN, and LARRY WINN.

#### Full text of committee statement:

##### U.S. POLICY TOWARD NATO: THE LONG RETREAT FROM PRESIDENT KENNEDY'S JULY 4 DECLARATION OF INTERDEPENDENCE

United States foreign policy under the Kennedy and Johnson Administrations, despite repeated verbal assurances to the NATO commitment, has served to undermine the unity and vitality of the Atlantic Alliance. Political and military decisions taken by our government, and the frequently unilateral method of reaching them, in disregard of NATO, have helped weaken NATO's importance in a fast-changing world.

The decline of NATO, as an instrument of diplomacy and solidarity, is a bitter disillusionment when measured against the expectations raised by President Kennedy's 1962 July 4 Declaration of Interdependence, when he called at Philadelphia for a renewed drive toward Atlantic partnership.

Unhappily, our own neglect has replenished the skepticism of those who look upon NATO as an enterprise of increasing irrelevance.

On the European continent, political outlooks are changing. Our apparent indifference to Alliance principle strengthens the notion that NATO as a military pact and political entity can no longer play a major role in shaping allied policy.

While President de Gaulle must share responsibility for the continuing NATO decline, the contradictory nature of America's approach to the Alliance has, during the past several years, raised European suspicions about our motives and is leading the NATO institution into an increasingly infectious malaise. This inconsistency on our part, between big power unilateralism and professed allegiance to post-war NATO ideals, reflects a methodology which, given the other negative influences, can be fatal.

What is more, the United States has evidently lost the power and art of productive leadership when precisely this quality is needed more than ever to mend the disarray. Reaffirmations of support for NATO integration and Atlantic unity are indeed hollow in contrast to our compunction for solitary action and failure to consult. NATO, as a theoretical and practical answer to common interests, is workable both as part and consequence of a functioning inter-allied diplomacy. It is, at least partially, the bankruptcy of American diplomacy toward the West that is weakening the institutional ties provided by NATO.

In a previous statement, we reviewed the NATO situation in broad terms, referring briefly to American policy-making which is damaging the continued validity of the Alliance structure.\* It is not possible to reform our basic approach, and pose realistic solutions to NATO's deterioration, without thinking seriously about the past.

The shortcomings of Administration policy are being constantly analyzed in public journals. The decision of France to withdraw from the NATO command stirred a new round of discussion. At the same time, one does not sense that the ongoing crisis has precipitated a similar, searching debate in officials' quarters, among those responsible for the formulation of policy.

The very critical state of the Alliance results, in part, because over a lengthy span of time we have failed to use it, or more concretely, we have not found it expedient or necessary to do so. Generally, our unilateral pursuit of developments outside the NATO sphere; our unwillingness to accommodate allied thinking so as to facilitate a unified, Western position on world problems; or disinclination to utilize fully NATO channels for negotiation and consultation when crises erupt or strategic decisions are pending; or routine employment of allies as mere executors of American military doctrine; all of this has helped to shape the apprehensions and doubts now being voiced by a resurgent Europe and concerned Americans.

NATO suffers not only a power gap but a gap in expertise. American defense thinking has dominated NATO Preparedness to such an extent that what is sporadically and tardily referred for communal resolution becomes, in reality, a discussion of how to implement American decisions and technology. We have never encouraged Europeans to develop essentially European concepts of defense strategy.

The record testifies to a persistent neglect of NATO interests:

Subsequent to the building of the Berlin Wall, the major allies could not agree to a common response to Khrushchev. The administration, clinging to a policy of seeking discussions with Moscow, which never transpired, refused to accommodate in any measure the more adamant position of President de Gaulle, resulting in a lingering disagree-

\*Statement of House Republicans Committee on Western Alliances, dated June 13, 1967.



ment which made impossible any future Franco-American summit talks, despite the fact that these had been planned when Mr. Kennedy met President de Gaulle in Paris earlier.

In May, 1962, Defense Secretary Robert S. McNamara abruptly announced, and later elaborated, a new NATO strategy of "flexible response" which, in effect, relegated the Europeans to a beefed-up conventional role in NATO defense. This turnabout was not first subjected to debate within NATO. It supplanted the Radford Plan of 1957, which emphasized the employment of tactical and strategic nuclear weapons in Europe's defense. Intelligent observers could see that the new posture was, in reality, an outgrowth of purely American security interests, regardless of their legitimacy. Also, the reversal raised questions about the authority of U.S. defense planning—the Radford Plan was supposedly a fit strategy for the future.

Washington's consistent refusal to harmonize Western policy toward the newly-independent states of Afro-Asia leaves a giant portion of the earth's surface benevolently open to American unilateralism. This was demonstrated by the administration's approach to the Congo crisis, Angola, and our flamboyant pursuit of Sekou Toure' of Guinea, who de Gaulle considered a renegade. Whatever the merits of these policies, they nevertheless underscored allied differences, somewhat ostentatiously, and amounted to a dubious attempt to disassociate the country from the legacy of British and French colonialism. Paradoxically, this concern for imagery came at a time when Europe had already relinquished almost the last vestiges of Empire, some said too quickly.

Europeans, unjustly, were claiming that we were putting the interests of Nkrumah and other more short-lived governments above their own. It is indeed ironic that today, throughout much of the have-not world, the United States has superseded those European colonialists as the foremost "imperialist" interloper.

During the Cuban missile crisis of 1962, the principal allies were not consulted previous to the crucial decisions, despite the possible impact of any confrontation on the Alliance.

In December of 1962, the Kennedy administration brusquely cancelled the Skybolt project and forged a new British-American nuclear working partnership; de Gaulle first got the word by reading press dispatches of the official communique of the Nassau meeting. Later France was offered the same Polaris deal, but rejected it; to polite inquiries, the administration hedged about exporting nuclear know-how to the French, putting them on a par with Britain, and to de Gaulle this represented another instance of preferred treatment under the nominally undiscriminating Polaris arrangement.

In essence, this scornful regard for the French nuclear program, the un-readiness to cooperate fully with France on nuclear matters when the force de frappe became an irrevocable fact, however negligible or even dangerous as a deterrent, served to underwrite de Gaulle's claim about Anglo-Saxon collusion and again stressed the unfettered dominance of American interests in Alliance politics.

In 1963, a Soviet-American understanding forced the dislodgement of U.S. missiles in Turkey and Italy, without the prior sanctioning of NATO.

In 1964, the President qualified the automatic character of the NATO commitment to Turkey, in the event of a Cyprus invasion which might have precipitated a Soviet incursion.

The multilateral nuclear force (MLF) concept, which underwent some revisions, was an ill-conceived gimmick aimed at broadening NATO control over nuclear deterrence without surrendering the American veto. Despite the State Department propaganda

campaign, even the Germans were never entirely enthusiastic. Moreover, no one seems to have thought of the plan's effect on French-American relations, and of its unquestionable adverse influence on Franco-German Conciliation, which remains the key to peace and stability in Europe.

After President de Gaulle's 1966 press conference announcing the NATO withdrawal, American policy geared itself to mobilizing European opinion in defence of the status quo and against the French attitude. In any case, the tactless outpouring of anti-de Gaulle sentiment on the part of highly-placed American diplomats could hardly reverse the situation, and it is difficult to escape the conclusion even now that U.S. policy prefers to cordon off France from further NATO concerns. We do not agree with the French view of NATO and much of her foreign policy. Despite obvious differences, however, a U.S. policy which quarantines France or abstains from endeavoring to reach accommodation on matters of mutual concern, is clearly detrimental to the interests of the Alliance as a whole.

American initiatives in the field of disarmament and arms control, including the current prolonged negotiations on nuclear non-proliferation, have proceeded outside the NATO context. Disarmament is certainly a desirable goal on its face, which no American or European statesman would deny. But our evident tendency to ignore the impact of such agreements on the NATO situation and allied interests, and to refrain from thorough consultation within NATO prior and during the evolution of concrete proposals, further illustrates our inattention to the prerogatives of the other Alliance members.

Similarly, the European states look with understandable favor upon the prospect of a Washington-Moscow detente. They recognize that their ultimate security relates to Russo-American understanding. But they are suspicious of possible faults accomplished bilaterally, on sensitive issues affecting their future and security, without an effective voice in the formulation of policy concerning Europe. This is particularly true in the case of West Germany, the most vulnerable state, seeking to maintain options, which needs solid support from its NATO partners. By some wretched illogic, the Johnson government may be handling the sought-for detente so that it wrenches Atlantic relationships, and in the end, fails dismally in both areas. Alliance solidarity and mutual understanding are not inconsistent with East-West easing of tensions, although the immediate urgency of military factors may fade. Surely the Alliance is based on something more than the threat from Moscow.

Since President Eisenhower left office, there have been no meetings of NATO heads of government. President Johnson has gone to the summit with Latin American chiefs of state. He has just recently conferred with Premier Kosygin. These meetings reflect a resourcefulness and high-level concern which are urgently needed to meet the NATO crisis.

For an over-all view of the sequence of U.S. policy toward NATO, here is the factual record:

May 1961—The North Atlantic Council expressed concern over bilateral consultations initiated by President Kennedy with the Soviet Union on disarmament, and urged close consultation with the Council.

June 1961—President Kennedy downgraded his special visit to President de Gaulle by making it only a stopover on his trip to Vienna to meet Chairman Khrushchev.

August 1961—Building of the Berlin Wall was permitted by the Four Powers.

Spring 1962—Declaration of Paris ignored by Kennedy Administration.

May 1962—NATO strategy altered unilaterally by Kennedy Administration.

Fall 1962—No consultation within NATO prior to President Kennedy's ultimatum to Soviet Union and blockade of its vessels enroute to Cuba despite direct impact on allies if war ensued.

December 1962—Kennedy Administration cancelled Skybolt missile project and proposed substitution of a multilateral force of Polaris submarines.

January 1963—Kennedy Administration abruptly withdrew missiles from Turkey and Italy, apparently as a unilateral concession to Soviets.

May 1963—Kennedy Administration offered half-measures to assuage allies desire for nuclear sharing—allied nuclear deputy to SACEUR, allied observers at Omaha.

June 1963—Kennedy Administration negotiated nuclear test ban with Soviet Union; established "hot line" between Moscow and Washington, but no such link with NATO capitals.

October 1963—Operation Big Lift raised doubt about U. S. commitment of troops to NATO.

January 1964—Johnson Administration discouraged foreign investment and travel.

January 1964—Johnson Administration sold wheat to Soviet Union at super discount.

June 1964—President Johnson qualified NATO commitment to Turkey vis-a-vis the Soviet Union.

September 1964—U.S. private investment in Europe restricted by Johnson-sponsored interest equalization tax.

December 1964—President Johnson refused to license export of computer to France.

May 1965—Secretary of State was sent to Dominican Republic instead of North Atlantic Council meeting. Switched to Council after Republican prod.

July 1965—Pierrelatte overflight by U. S. NATO plane was not adjudicated through NATO.

December 1965—U. S. trust of NATO allies put in doubt by nuclear non-proliferation negotiations in Geneva.

March 1966—U.S. rebuffed French request for consultation on troop and base agreements—aligned other 13 allies against French position.

March 1966—Despite objection of several allies, Johnson Administration initiated proposal to move the North Atlantic Council from France.

April 1966—President Johnson rejected the date for withdrawal of troops from France—U.S., United Kingdom and Germany formed a group to deal with France.

October 1966 and April 1967—President Johnson traveled abroad to participate in chiefs-of-state meetings of Far East and OAS powers, but no NATO chiefs-of-state meeting has been held since 1958 when Eisenhower was President.

May 1967—During Greek crisis, Johnson Administration failed to re-affirm our automatic commitment to defend all NATO nations—a commitment which, in respect to Turkey, had been seriously qualified by unilateral action in 1964.

The overriding need is to reform our thinking about the Alliance and give it a meaningful political role. Our indifference to NATO, except as an appendage of homegrown strategic thinking, will not suffice in the context of a resurgent "Europeanism" and rapid changes taking place in the world arena.

In a forthcoming third statement, we will recommend means for revitalizing NATO and bringing about a fresh, realistic American posture.

#### NUCLEAR TREATY: TIME TO START OVER AGAIN?

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may

extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FINDLEY. Mr. Speaker, the House Republican Committee on Western Alliances believes it is time to start over again on a nonproliferation treaty.

In a statement, July 5, prepared by a team consisting of Representatives E. ROSS ADAIR and LARRY WINN, JR., the committee observed that—

Formal American efforts to achieve a nuclear nonproliferation treaty have been underway since August of 1965 and may have new impetus as the result of the Glassboro meeting.

It posed the questions, "What has been the trend in NATO since these talks started?" "What has been achieved as regards the so-called detente with the Communists?" "What has been the trend in disarmament?"

These questions naturally occur in view of subsequent Soviet action: Stepped-up aid to North Vietnam, refusal to ratify the consular treaty, continuing shipment of arms in great quantities to the Middle East in spite of the recent fighting there, harassment of our fleet on the high seas, continuing buildup of arms in Cuba, and support of subversion in Latin America.

Other members of the committee, which I serve as chairman, are Representatives WILLIAM O. COWGER, WILLIAM C. CRAMER, MARVIN L. ESCH, SEYMOUR HALPERN, SHERMAN P. LLOYD, WILLIAM S. MAILLIARD, ALEXANDER PIRNIE, ALBERT H. QUIE, WILLIAM V. ROTH, HERMAN T. SCHNEEBELI, CHARLES W. WHALEN, JR., and ROGERS C. B. MORTON.

Full text of the statement:

#### NUCLEAR TREATY: TIME TO START OVER AGAIN?

Formal American efforts to achieve a nuclear nonproliferation treaty have been underway since August of 1965, and may have new impetus as the result of the Glassboro meeting. It is now time to assess the results. What has been the trend in NATO since these talks started? What has been achieved as regards the so-called "detente" with the Communist world? What has been the trend in disarmament?

As regards NATO, it is all too clear what has happened. After all, the question of nuclear weapons was a significant factor, most people seem to feel, in President DeGaulle's decision to "go it alone." American installations are by now almost completely abandoned in France. France is proceeding on every front, within the limitation of her resources, to become a true nuclear power. She now has nuclear bombs and bombers with which to deliver them. She has launched a nuclear submarine.

Germany is rapidly becoming both suspicious and alienated, as a result of our seemingly desperate haste to conclude a nonproliferation treaty with the USSR. As one of the world's leading industrial powers, she feels that she will not only be forced to take a back seat in nuclear technology as a result of the proposed treaty, but under changed conditions would be left defenseless from attack by a nuclear power.

Italy has expressed misgivings concerning the treaty. During Vice President Humphrey's recent visit, Italian Premier Moro and Foreign Minister Fanfani are thought to have told the Vice President that the treaty could become a serious bar to future unity moves

in Western Europe in the fields of political and military institutions.

A recent statement by George Ball, former U.S. Under Secretary of State, suggesting that Great Britain should surrender her nuclear deterrent to America as "a contribution to peace" brought a strong reaction. The London Daily Express stated: "Such interference in our affairs is futile and impertinent."

These negotiations have now been going on for nearly two years. The Soviet Union, it is generally agreed, is in no hurry to sign such a treaty. In fact, it can be argued that there is no reason for them to hurry as long as the mere fact of negotiating tends to split the NATO alliance. After all, the more seeming concessions we make to the Soviets over this issue, the more suspicions grow among our European NATO allies that they are somehow to be left out in the cold. This attitude only increases the stature of President Charles DeGaulle and his "third force" concept of Europe.

Aside from the Outer Space Treaty in the field of disarmament, little has been achieved since we seriously started trying to achieve a nonproliferation treaty. Red China has recently tested a hydrogen bomb, and in the next few years, should be able to fire atomic missiles at her neighbors. Elsewhere, armaments and the number of worldwide trouble spots have increased.

How has the Communist world and in particular the Soviet Union responded? The Soviets have stepped up their aid to North Viet Nam. They have refused to ratify the Consular treaty out of spite for our policy in Viet Nam. They are reported to be continuing to send arms in great quantities to the Middle East in spite of the recent fighting. They are actively engaged in harassing our fleet on the high seas. They are daily poaching in our domestic fishing grounds. The East European satellites are assisting North Viet Nam. The Soviets refuse to consider cutting back on their anti-ballistic missile system in order to prevent adding a new dimension to the arms race. They continue to arm Cuba and support subversion in Latin America.

How then should we proceed? First, let us face the fact that the Soviet Union has permitted the United States to lead in these negotiations to the point that any failure of them will be laid at our door. Worse than that, any undue restrictions it places upon our allies will also be blamed on the United States.

Recent reports in the press speak of some progress in the negotiations for a treaty, both as regards our NATO allies and the Soviet Union. However, we have had many ups and downs during these negotiations. Might not our best course of action be to withdraw our proposed treaty text and start anew? This would serve several purposes. The Soviet Union would be put on notice that we had gone just about as far as we could by way of making concessions in order to achieve this treaty. Second, it would present us with the opportunity to start anew with our NATO allies. We could then proceed to hammer out a new treaty draft acceptable to all of NATO. Then and only then should we proceed to reopen negotiations with the Soviets, if the Soviets appeared to be genuinely interested. In fact, such a pause would give us the further opportunity of achieving a truly integrated NATO nuclear command.

In any case, we should press forward with plans for an anti-missile system—to close the ABM gap. To the maximum extent possible, this should be done in collaboration with our NATO allies, as Dr. Edward Teller has recently suggested. We should never sacrifice the interests of a major part of the free world—NATO—just to secure a signature on a nonproliferation treaty that might or might not help the cause of world peace.

#### THE KENNEDY ROUND AND THE FUTURE OF U.S. TRADE POLICY—AN EVALUATION OF PROGRESS AND ISSUES IN THE SIXTH ROUND OF TRADE NEGOTIATIONS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE—PART IV: INDUSTRIAL NEGOTIATIONS: CHEMICALS

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CURTIS. Mr. Speaker, I include at this point a list of contents covering my remarks:

- LIST OF CONTENTS OF CHEMICAL SECTION
- The Industrial Sectors Discussed in the Present Report.
- Chemicals in the Kennedy Round.
- Chemicals and International Trade.
- Trade Negotiations Effect on U.S. Chemical Companies' Foreign Investment and Sales.
- Raw Materials Costs and Competitiveness.
- Future Tariff and Trade Negotiations Will Require Broader Scope.
- The Nature of World Trade in Chemicals: Statistical Problems.
- A Continuing Export Surplus.
- Benzenoid Chemicals Trade.
- The Converted ASP Rates—The Importance of Intermediates and Dyes.
- ASP As a Customs Valuation Method.
- Some Attributes of the ASP System.
- ASP in the Context of Its Time.
- The Problem of European Postwar Reconstruction.
- Dynamism and Continuing Innovation.
- International Chemical Competition and International Pricing.
- U.S. Chemical Industry, Trade Negotiations, and Change.
- The Conversion of ASP to Normal Valuation Methods.
- Nagging Objections to Conversion.
- The Negotiation of ASP in the Kennedy Round.
- What is the Nature of the Benzenoid Industry?
- Why the Benzenoid Chemical Sector Asks Special Treatment.
- What is the Margin of Injury from Changing the ASP System?
- The European Stake in the Removal of American Selling Price.
- European Arguments.
- Kennedy Round Trade Negotiations.
- Two Packages, One "Decoupled" From the Other.
- Reciprocity in the First Package.
- Share of Dutiable Imports.
- Reciprocity in the Second Package.
- Foreign Non-Tariff Concessions in the Second Package.
- Important Problem of Border Taxes.
- Border Taxes in the Kennedy Round and in Future Negotiations.
- Border Tax and Export Rebate are Integral Parts of National Taxation Systems.
- Nullification of Tariff Concessions.
- Need for Immediate Action on the Border Tax Problem After the Kennedy Round.
- GATT Meeting on Countervailing Duties Should be Broadened.
- 1967 Meeting of GATT Contracting Parties.
- Patents and International Trade.
- Conclusion.

Mr. Speaker, this is the fourth in a series of reports attempting to explain the major issues of the Kennedy round.



These discussions demonstrate why these issues have been so difficult to resolve and at the same time why their rational resolution is so important to each American—indeed also to each world citizen—in some way: as a consumer, as a worker or producer, a farmer, a businessman, or investor. A deeper understanding of trade also brings about a greater realization of how important trade is to peaceful relations among nations.

It is also the purpose of these reports to record the events of a landmark international trade negotiation that may be the last of its particular type. But the end of the traditional tariff negotiation is also a beginning of a new, more important, and more fruitful kind. In deciding our new international trade policies, we will want to take into account the factors that shaped the present negotiations, and devise strategies to comprehend them. Thus, throughout this series of speeches, I have tried to emphasize their meaning for future trade policy. I would not have tried to make my analyses so thorough, otherwise, of events that will soon be past.

This report follows the "crisis" of the Kennedy negotiations—the week of May 8 to May 15, and the formal conclusion of the Kennedy round on June 30. Thus this report on four key industry sectors is an attempt to relate the events leading up to the final decisionmaking that ended during that week in May—and to be as explicit as now is possible about the nature of the final decisions themselves.

The weeks since May 15 have been consumed in negotiating the details of the broader agreements, and with the technical work of rewriting the tariff schedules of all participants to record and implement the agreements negotiated. In the case of the U.S. Tariff Schedules that means the rewriting of the bulk of the 6,300 tariff items therein. It can be expected that the Tariff Commission experts who are rewriting the schedules will take this opportunity to somewhat simplify them without altering their negotiated effect. However, many substantive decisions were perforce made in this detailed work and accordingly we have not been able to have a full report of the Kennedy round decisions until these details were resolved, and until the experts of other nations also compiled their new schedules.

#### THE INDUSTRIAL SECTORS DISCUSSED IN THE PRESENT REPORT

The industrial sectors dealt with in the present report have been among the key concerns of the industrial negotiations. Chief among these is the sector of chemicals, which was almost from the beginning singled out as a critical area of negotiations at Geneva.

In the third in this series of speeches, given on May 1—CONGRESSIONAL RECORD, pages 11320-11335—I explained the origin and usefulness of the "sector approach" to negotiation in difficult industry groups, and I discussed the sector of steel. I also described as a principal tactical concern of the negotiations the problem of disparities. I will not retread this ground in the present report.

#### CHEMICALS IN THE KENNEDY ROUND

One of the problems which caused the chemicals sector to be treated for purposes of Kennedy round negotiations as a separate sector is the American selling price—ASP—system of customs valuation, established by law in 1922, and the important "benzenoid"—coal-tar—chemical products to which ASP applies. The European Common Market negotiators sought to make those chemicals to which the American selling price system applies, although the trade involved effectively amounts to only about 5 percent of total U.S. chemical imports, the key to a successful industrial negotiation and to a considerable degree they succeeded in doing so.

The United States responded by proposing a "two-package" approach, one that would allow negotiation in the Kennedy round of a small separate package including benzenoid chemicals which would then be referred to Congress for implementation through the legislative process. Separation of the benzenoid chemical—ASP problem in this manner from the much larger chemicals sector allowed the negotiators to make use of the authorities already granted to the President by Congress to reciprocally lower U.S. duties.

The U.S. concept of the chemical sector negotiations and the separate package prevailed over that of the European Common Market which, in particular among the other negotiators with interest in the American selling price system, sought to secure U.S. acceptance of a one-package approach.

The one-package approach would have required the United States to submit the bargains in the entire chemical sector to the Congress. This approach not only could have endangered fullest use of the negotiating authorities already given the President by Congress in 1962, but it would have presented Congress with a situation that it has chosen to avoid since the "Smoot-Hawley" Tariff Act of 1930, the last occasion when Congress attempted to legislate each U.S. rate of duty. Certainly, though I have held that in the recently completed restructuring of our tariff schedules the Ways and Means Committee should act as a court of appeals under carefully defined guidelines, as a general principle I believe Congress should continue to avoid the practice of setting individual rates.

Thus the American selling price, merely a method of assessing duties on foreign imports that was singled out as a nontariff barrier to trade will become an issue before Congress. The Common Market, Britain, and other countries have contended that American selling price should be removed and have made special tariff-cut offers of considerable importance to secure this objective, and which are conditioned on changing the ASP system. As a nontariff trade problem, the United States has also succeeded in obtaining reciprocal nontariff offers from the Common Market, Britain, and Switzerland, and these too are contained in the "separate package" for ASP which I will describe below.

#### CHEMICALS AND INTERNATIONAL TRADE

ASP and the chemicals to which it applies aside, the American chemicals in-

dustry is internationally competitive, aggressively innovative, and therefore rapidly changing and growing. Dr. Jules Backman, professor of economics at New York University, called it "one of our great growth industries during the past half century."

Since the Second World War the chemical industry has truly internationalized. The growth of chemicals as a worldwide industry is closely interwoven with rising standards of living and industrial development, so that most economic sectors in some way depend on chemicals to meet agricultural and industrial requirements.

Not only is the American chemical industry a great exporter of its products, the export surplus for chemicals averaging more than one-quarter of U.S. total export surplus in the 1960's, it is also a great exporter of capital for "investment" in foreign production.

Reason for the growth and essentiality of the chemicals industry is found in two key functions the chemicals industry performs; invention of new substitute materials that compete directly with the products of agriculture and mining, and processing of the products of agriculture and mining in such a way as to multiply their uses and enhance their physical properties and capabilities.

The growth potential and industrial importance of the chemicals sector, particularly plastics, is demonstrated by a study of the uses of competing plastic products in industrial production, as projected into the future. This study by Dr. Guy Suits for the 1966 Conference on Government, Science, and Public Policy, published in the 89th Congress by the House Committee on Science and Astronautics, concludes that—

Plastics (polymers) are already replacing many metals in consumer products to such a degree that in American industry as a whole the volume of polymers used in manufacturing products already exceeds the volume of steel . . . polymers will soon overtake steel—even on a weight basis—and they may have already done so. It is difficult to escape the conclusion that polymers will, in the future, become the basic structural materials of our civilization.

One lesson of this forecast is that steel, and other metals, must not only remain price competitive, but must innovate aggressively. It would seem evident that steel would put itself at a disadvantage vis a vis other strongly competing materials by cushioning itself from international competition; this could well be the effect of some sort of special levy on imported foreign steel.

Another lesson is that, though steel will continue to be industrially important, it would appear that this once most essential industry may be reaching the point at which it has become one of the limbs of the industrial "tree" that may be overshadowed by new, higher limbs. The new limbs and their branches will be the newer product groups, that may have been developed either to compete directly with steel and the more traditional materials, or to process natural mining and agriculture products in such a way as to allow them to compete with such materials. But this is a gradual process

at best and the use of steel will continue to grow if it remains competitive.

In discussing chemicals we are therefore discussing an international industry to which international trade and investment are important, and to which international tariff and trade negotiations are thus also important. Its involvement in the international economy is another vital difference between the American chemical industry and the steel industry.

Our large chemical corporations are truly international corporations, but this is not true of our steel producers, whose perspective seems to be limited to our domestic marketplace.

#### TRADE NEGOTIATIONS' EFFECT ON U.S. CHEMICAL COMPANIES' FOREIGN INVESTMENT AND SALES

The Kennedy round international trade negotiations will affect international direct investment in chemical plants and facilities, but the extent of

the effect is difficult to measure precisely. The reason is that many factors, not tariff and trade barriers alone, go to make up a decision about foreign investment.

The foreign capital "transactions"—outflows of funds for investment and inflows of profits from investment plus royalties, and so forth—of the chemical industry are summarized in the following table:

*Selected foreign transactions reported by 75 chemical companies reporting under the voluntary program*

(Millions of dollars)

	1964	1965	1966			Annual percent change	
			Original projections	Actual 1st half results	1st half as percent of projected	1964-65	1965 to projected 1966
1. Exports.....	1,625	1,644	1,707	885	51.8	1.2	3.8
2. Earnings from direct investments and other specified transactions:							
(a) Dividends, interest, branch profits.....	221	267	239	129	54.0	20.8	-10.5
(b) Royalties, management fees, etc., net.....	103	127	144	72	50.0	23.3	13.4
(c) Reinvested earnings of foreign affiliates.....	140	175	299	113	37.8	25.0	81.2
Total.....	464	569	682	314	46.0	22.6	20.1
3. Earnings from other investments, fees, etc.....	27	27	30	16	53.3	0	11.1
4. Direct investment capital transactions:							
(a) Reinvested earnings.....	-140	-175	-299	-113	37.8	25.0	70.9
(b) Capital outflows.....	-363	-352	-533	-163	30.6	-3.0	51.4
Less use of funds borrowed abroad by U.S. incorporated companies <sup>1</sup> .....		17	180	37	20.5	(?)	1,058.8
Adjusted capital outflows.....	-363	-335	-353	-126	35.7	-7.7	5.4
Total.....	-503	-510	-652	-239	36.7	1.4	27.8
5. Other long-term capital transactions (with nonaffiliates).....	-12	57	15	9	(?)	(?)	-73.7
Total transactions.....	1,601	1,787	1,782	967	54.3	11.6	-3

<sup>1</sup> Funds raised through foreign sales of securities issued by special U.S. incorporated companies or through long-term loans from foreign banks, etc., to all types of U.S. incorporated companies.

<sup>2</sup> Not applicable.

Source: U.S. Department of Commerce, Nov. 17, 1966.

In spite of its substantial overseas investment, the U.S. chemical industry continues to supply its overseas markets by exporting from its United States facilities: chemical exports from the U.S. as a percent of sales by foreign plants has decreased, but total chemical exports have continued to increase. The mix is changing, and when participation in foreign markets by means of exports or sales under licenses is threatened, the industry is ready to make direct investments in production facilities abroad. Also, U.S. chemical companies think of export business as a means of testing product lines abroad, from which marketing footholds direct investments in foreign production might be shown to be worthwhile. Foreign chemical investors follow a similar course and in benzenoid chemicals production in the United States they have adopted a similar policy.

There is a prevalent view that bulk chemicals that are low in value must be produced near the point of consumption, or freight, tariff, internal taxes and other costs of international sale will add so much to the export price that they cannot compete in distant, foreign markets. On the surface this seems to be true, but when U.S. chemical exports are closely analyzed, it seems that they consist of many bulk products—basic chemical products and intermediates.

U.S. direct foreign investment in chemical plant production abroad will likely continue, but at the same time it is expected that substantial tariff cut-

ting in the chemical sector, cuts close to the internationally agreed optimum of 50 percent, will somewhat mitigate U.S. chemical firms' incentive to directly invest abroad.

These observations about direct investments should not seem to be intended critically. The above table shows that direct foreign investment produces substantial returning income to the U.S. which is reflected positively in our balance of payments. In fact, the income on investments and from royalties is much greater than the capital outflow—item 4b above. Rather than criticizing American companies' direct foreign investment it would be more appropriate to direct criticism at the government policies that now threaten to injure it. In spite of U.S. controls on U.S. direct private foreign investment in the developed world, U.S. chemical firms' direct investment has fortunately continued to be substantial, even though the sources of capital are more diverse.

The continuing need for such foreign investment has been succinctly given by Mr. John J. Powers, president of Charles Pfizer and Co., Inc., in a speech at Stanford University on April 13:

To leave competition to enjoy the growth potentialities abroad would be to concede to them substantial earnings which they can use to compete more effectively everywhere, including the domestic market. (Italic added.)

The obligation of the American government is to realize that international trade and international investment do

not operate in watertight compartments—they are intimately related. Thus, to pursue a policy of trade expansion through reciprocal reduction of trade barriers should be complemented with an equally expansive foreign investment policy.

It seems unfair to American industry to expose it to competition in international markets without allowing it to protect its interests by investment in production in foreign markets. At the same time, it would be wise for those American industries, such as the textile industry, that do not seize opportunities for direct foreign investment, particularly in the poorer countries where U.S. investment is not constrained by the voluntary program, to do so, for they could likely improve their profits and create genuine economic and industrial development in poor areas through such investments.

#### RAW MATERIALS COSTS AND COMPETITIVENESS

A problem of somewhat similar nature is that of petrochemical feedstocks. Increasingly the chemical industry has turned to using petroleum derivatives as the raw base for its products. Other nations' chemical industries have followed the same course. But there is an essential difference in the competitive structure of costs that has emerged as the use of petroleum feedstocks grows. This is, U.S. chemical companies have limited access to such feedstocks because the importation of oil into the United States is controlled by a system of quotas



that by and large were structured to consider only the health of the U.S. petroleum producing industry, and omitted consideration of the health of the petrochemical industry, when instituted in 1959 under national defense provisions of U.S. trade law.

The oil import quota program has been receiving a growing amount of criticism and complaint on many fronts. The key result of several years of the import quota program as now administered is that supplies of crude oil and its derivatives have become substantially more expensive in the United States than they are in the rest of the world.

For a fuels industry, which is almost totally domestic in nature, these higher costs produce no significant competitive effects. For the U.S. petrochemical industry, which competes worldwide, an extremely critical problem is posed. In this industry, raw materials generally comprise around two-thirds of the total manufacturing cost, and are available to foreign competitors at prices which in many instances have not been artificially inflated.

The U.S. petrochemical producer is, therefore, bound to be at sharp competitive disadvantage not only in export markets but now domestically with his foreign competitor, now that the Kennedy Round has further lowered tariffs on petrochemicals. The oil import quota program is a knotty problem. It is the only case of import control that has ever been justified in terms of national defense essentiality. It is inextricably linked with the economics of the Southwestern United States. But these and other complexities should not dissuade impartial governmental analysis of the effects of the oil import quota program, and prevent the program from impairing the competitiveness of our chemical companies in world markets.

#### FUTURE TARIFF AND TRADE NEGOTIATIONS WILL REQUIRE BROADER SCOPE

Chemicals is an industry in which national levels of technology are fairly equal. European, Japanese or American hesitance to cut tariffs cannot very logically be based on claims that technological "gaps" create disparate competitive situations. This similarity has in fact led some to suggest that world chemicals is one of those industrial sectors that would be a good candidate for "free" international trade, and this would be a reasonable suggestion if it were not for what appear to be serious disparities in wage rates, in patent laws, research and development costs, government subsidies in various forms and in standards of business conduct. In world chemicals trade the Japanese are now rapidly becoming a more important factor, and now in chemicals, as in steel and textiles and other industry areas, there are growing complaints that apart from simply being aggressive salesmen, Japanese are employing "unfair practices" in their external trade.

A recent example from the auto industry is instructive to relate. Fortune magazine of June 1967, page 114, describes increasing Japanese success in selling autos, and describes the business

practices used in achieving high sales. These include dual pricing, "one price for cars shipped overseas and one for those that are sold at home," and also intensive advertising.

Fortune also reports that the domestic Japanese auto market is "carefully protected." There is no reason why the Japanese auto producers should not sell their autos in the American market, but they, in my judgment, are coming very near the borderline of unfair business practice in pursuing deliberate and open dual pricing policies as they allegedly do. And they are pursuing faulty domestic economic policy in doing so.

In pursuing deliberately, as is implied, a policy of dual pricing, the Japanese are in fact pricing at less than home market value. This is the first condition for a finding of dumping, the second stage of which in American law and accepted standards of international commercial practice is proof of serious injury. It will probably be very difficult to prove that American automakers are being seriously injured by Japanese imports, so the deliberate market pricing differentials probably cannot be changed by U.S. action.

But the Japanese are following an unwise economic course, in two ways. First, by their high domestic prices they are denying to their own people the ability to buy cars, and therefore they are preventing the most important development necessary for a truly highly developed industrial economy—sustained consumer purchasing power. There are fewer cars per capita in Japan than in any other free world industrial country, and there are no more important consumer industries than the automotive. Lowering prices of autos and raising wages would have two important effects on the Japanese economy. It would result in higher standards of living and would allow Japan to complete the most important developmental stage, and it would help remove that extraordinary labor cost differential that makes Japanese competition so disturbing to older industrial economies.

But there are other important steps needed to be taken. Japan must accept fully the obligations of the OECD charter and allow foreign companies to invest in Japanese production. The recent foreign investment control liberalization is known and admitted by the Japanese not to be really meaningful. And it must allow for foreign competition. American auto companies may not be "seriously injured" by the carefully planned, aggressively priced, low profit Japanese auto sales in this market, but they expect, and they should fully expect, that they be allowed equally to compete in the Japanese market either by exporting to that market from their facilities in America or in Europe, or by investing in Japanese auto production.

Without this significant "liberalization" of practice and attitude in all industrial areas the Japanese can expect limited sympathy from those Americans like myself who demand equality and fairness in international trade and investment when the Japanese complain about restrictions which prevent them

from expanding their exports further to the United States or to other foreign markets.

A more completely competitive international economy, unhindered by tariff as well as other-than-tariff trade barriers, will require new concentration on nontariff barriers. In this effort a new appreciation of the General Agreement on Tariffs and Trade may be necessary. It seems that many of us have forgotten that GATT already contains rules of fair and uniform trading practice that in effect are a sound underpinning for future efforts to establish fair competition by removing non-tariff barriers and export subsidies of many and varied kinds. If GATT has seemed to be inefficient, or slow to enforce these standards of fair conduct, it may be because many nations' trading rules were enacted some time long before the GATT was drafted and agreed.

If this is the case, the passage of time alone will have an effect on unifying nations' practices as these nations laws and practices evolve to conform to GATT. But this conformity by accretion should be hastened by deliberate international action continually to redefine and improve the GATT regulations against unfair and unnecessary practices that do impede trade. This should be among the first of our international trade priorities after the Kennedy round, and it should proceed without delay. A full scale conference among GATT members on other-than-tariff trade problems is increasingly urgent. This conference should take place in the fall even if it is at "working" level to establish an agreed agenda for a larger conference.

#### THE NATURE OF WORLD TRADE IN CHEMICALS: STATISTICAL PROBLEMS

World trade in chemicals and the place of the American chemical industry in this trade is indicated in the following data on world chemical trade flows. At the outset, it is important to realize that the statistics relating to chemicals are in an incomplete stage of development. It is therefore hazardous to draw general conclusions at any time—or indeed any conclusions—too quickly. There are no definitive data relating U.S. chemical imports and exports to U.S. production to make statistics really comparable. There are too many chemicals, and too many stages of processing and reprocessing among them to be able to obtain accurate net figures.

The best guide to imports and exports in relation to production is the statistical series titles "U.S. Commodity Exports, Imports as Related to Output," Census Bureau publication ES-2, 1963-64. But this compilation has serious drawbacks because it does not eliminate the various stages of reprocessing to produce a net result. And a good part of the difficulty in obtaining statistical completeness results not from methodology but from remarkable innovation that continually in progress.

It is proper to point out here that American statistical compilations and methods are generally accepted to be the best in the world. If our statistics in the area of chemicals are not perfect, and

impede somewhat the international discussion of these issues, then the inadequacies of others' statistics have impeded the discussions even more.

Nonetheless, it is important to have the best statistics possible in order to conduct the trade negotiations in chemicals with intelligence. And the Office of the Special Representatives for Trade Negotiation, in cooperation with other Government agencies, and importantly and commendably, with the American chemical industry, has compiled detailed data relating to world trade in chemical products, data which, though sometimes limited as stated, has been invaluable in the negotiations.

To present an overall picture, the statistical compilation agreed to be the best one is the series prepared by the Organization for Economic Cooperation and Development—OECD—the 21-member nation international consultative orga-

nization headquartered in Paris. The OECD series B statistical bulletin for 1966 presents chemical sector data according to the standard international trade classification—SITC—and presents them in comparable form for all countries involved in the chemical negotiations.

These OECD data are valid for use in general discussion of the chemical sector, but the detailed trade negotiations themselves have been conducted in terms of the more specific data relating directly to the Brussels Tariff Nomenclature—BTN—both for the European Community and the European Free Trade Association—EFTA—countries and the Tariff Schedules of the United States—TSUS—for the United States.

This has required the construction of a "concordance" between the tariff structures of the United States and the EEC. This tariff schedule concordance,

which is an agreed, definitive comparison between the TSUS items and BTN items, was forged after years of effort. On the American side the work was done largely by Tariff Commission personnel in Geneva and Washington, but this work has unfortunately not been completed for all other major participants. Thus we lack, for example, a formally agreed "concordance" between the chemical schedules of Japan and the United States, and the United Kingdom and the United States.

#### A CONTINUING EXPORT SURPLUS

But for our more general purposes here, international trade in chemicals, including chemicals subject to the American selling price system, can be intelligently discussed on the basis of the OECD data. These data presenting international chemicals trade as compiled by the OECD on the basis of SITC data for 1964-65 follow—see table, page 7:

#### U.S. chemical trade

[In millions of dollars; all data f.o.b.]

SITC section	U.S. imports from—					U.S. exports to—				
	World	EEC	EFTA	Canada	Japan	World	EEC	EFTA	Canada	Japan
5 All chemicals:										
1963	567	153	79	164	33	1,943	412	203	301	157
1964	707	183	95	192	38	2,375	540	255	334	193
1965	781	202	106	222	46	2,402	555	265	382	148
1966	943	262	140	253	69	2,676	596	272	411	181
512 Organic chemicals:										
1964	127	49	29	24	12	445	196	38	44	52
1965	160	64	33	32	17	669	237	68	81	41
1st half 1966	107	43	22	15	14	343	112	35	40	22
513 Inorganic chemicals:										
1964	254	29	8	88	13	219	44	31	43	9
1965	219	29	11	77	14	300	75	37	64	12
1st half 1966	127	21	6	43	9	161	47	14	33	6
53 Dyes:										
1964	37	11	16	1	—	91	12	10	24	6
1965	43	14	19	2	—	93	13	10	29	6
1st half 1966	29	10	13	1	—	52	8	5	17	3
541 Pharmaceuticals:										
1964	42	15	11	1	4	291	48	21	25	19
1965	58	17	13	1	3	256	40	20	22	11
1st half 1966	39	13	6	1	2	132	21	9	13	7
561 Fertilizers:										
1964	105	21	3	65	—	146	9	1	12	12
1965	124	12	3	90	—	153	5	1	13	13
1st half 1966	75	6	2	56	—	94	1	—	5	6
581 Plastic materials:										
1964	31	12	10	2	7	390	86	72	71	22
1965	41	16	9	7	8	425	95	76	88	20
1st half 1966	29	17	6	5	6	241	60	45	49	12
599 Chemical products, n.e.s.:										
1964	42	13	6	4	—	572	95	55	87	51
1965	53	14	6	7	1	337	61	36	56	30
1st half 1966	32	9	5	3	—	201	36	21	31	17

Note.—SITC data for entire year available only for all chemicals.

Source: OECD.

This table shows the large surplus of U.S. exports over imports in the chemicals sector: \$943 million of imports versus \$2.7 billion of exports in 1966. This surplus extends throughout U.S. chemicals trade by SITC sector, including those SITC sections which contain most of the chemical products subject to American selling price: Organic chemicals, dyes, and pharmaceuticals.

Dyes is the only SITC category in which all U.S. import trade is entirely subject to ASP. The Organics and Pharmaceuticals categories contain mixtures of ASP and non-ASP items. Dyes are claimed by their domestic manufacturers to be most vulnerable to foreign imports and therefore most in need of continuing high rates of ad valorem duties based upon the American selling price—ASP—system of customs valuation. But, note in the above table that

U.S. imports of dyes in 1965 were worth \$43 million, while U.S. exports were worth \$93 million.

The SITC sections in the above table are broken down more thoroughly. It is possible to obtain a figure for dyes in three digits, rather than just two digits as above. Even in the more minute category there is a surplus of exports over imports. About half of U.S. dye exports go to Canada. The United Kingdom and EEC sell us more dyes than we sell them.

Imports of dyes and intermediates will probably increase under the negotiating scheme agreed to in Geneva on May 15, though the question of damage is still open, and the import increase could be substantial. But, that the U.S. dye industry is sufficiently competitive right now to sell \$93 million of its products abroad, requires evaluation. It may be that U.S. dye and intermediate export

opportunities will increase as a result of the approximately 45 to 48 percent reduction of Swiss, Common Market, and United Kingdom chemical tariffs after the ASP "second package" is complete.

#### BENZENOID CHEMICALS TRADE

The data cited above show U.S. chemicals trade in perspective. They give some idea of trade flows in categories in which ASP items are found, in relation to total U.S. chemical import-export trade.

The data below show trade in benzenoid chemicals separately. They are abstracted from Tariff Commission Report 181 of July 1966, the report in which the Commission finally determined, after public hearing and lengthy investigation with active participation and constructive assistance stemming from the worldwide commercial contacts of the American chemical industry, the ad valorem



equivalents of rates of duty "converted" from the ASP basis. "TC 181" can be considered the best currently available public description of the ASP system. It explains the nature of the ASP system and its effects on trade in a past period—1964—in terms of "converted" rates of duties expressed as percentages. According to TC 181:

Total imports (of benzenoids) in 1964 were valued at \$53 million—equivalent to 1.5 percent of domestic sales. Included among 39 importing firms which accounted for 86 percent of the total value of imports were 13 domestic subsidiaries of foreign manufacturers. These 13 accounted for 56 percent of the total invoice value of imports. Imports by domestic (chemical) concerns from foreign subsidiaries were not significant.

U.S. exports of benzenoid chemicals and products in 1964 had a value of approximately \$285 million.

In other words, according to TC 181, imports of ASP-subject benzenoids were a very small—1.5 percent—portion of 1964 U.S. production of benzenoids. Further in 1964 the United States had a significant export surplus in the same ASP subject benzenoids—\$53 million versus the Tariff Commission's necessarily approximate estimate of \$285 million. The export figure in that year could have been higher, or lower.

This is not to ignore that without the ASP system, imports might rise quite substantially. Certainly Europeans, apart from their emphasis on the American selling price system as a bargaining tactic, think they have a real commercial interest in expanding their trade in benzenoid products by changing the American selling price system through international bargaining.

#### THE CONVERTED ASP RATES—THE IMPORTANCE OF INTERMEDIATES AND DYES

There are about 800 chemical rates—or items—in the chemical section of the U.S. tariff of which 108 are potentially subject to ASP. The Tariff Commission found that of these 108 items, the converted rates of six are lower than they would be under conventional valuation procedures, 22 are the same, and another nine are only nominally higher. For this group of 37 of the 108 ASP-affected item, the ASP system does not have an important effect. The adverse trade effect in this group, if any, is a nontariff effect that I will discuss below.

We are mostly concerned, then with 71 rates. These 71 ASP-subject rates are higher than they would be under conventional valuation procedures—most not excessively higher except in the tariff "positions" relating to dyes and intermediates. Thus, conversion of the ASP system to the conventional system itself would have little tariff effect except in intermediates and dyes, according to TC 181.

The converted TC 181 rates in the section of the TSUS relating to dyes—item 406.02 to item 406.80B—in terms of percentages ad valorem equivalent, are 75, 43, 34, 46, 57, 64, 82, 98, 38, 42, 54, 65, 73, 83, 98, 117, 172, 48, 54, 72, 98, 43, 22, and the basket rate of 48 percent. The arithmetic average of these rates is about 70 percent. These are extremely high rates in comparison to the arithmetic average of all U.S. rates of duty,

which is about 12 percent and they are quite high also in relation to foreign countries' rates for comparable products.

Thus the portion of the TSUS applicable to dyes, when converted to ad valorem equivalents based on 1964 data, contains the much noticed rate 172 percent, which U.S. Deputy Special Representative for Trade Negotiations Michael Blumenthal called in a speech at Kronberg, Germany, on December 8, 1966, the "Mont Blanc" of the U.S. tariff schedule. But Ambassador Blumenthal also pointed to the European Common Market rate on manufactured tobacco of 180 percent, which he appropriately called the "Everest" of the Brussels Tariff Nomenclature.

#### ASP AS A CUSTOMS VALUATION METHOD

I discussed the workings and the history of the American selling price system at considerable length in my report to the House of Representatives on the trade negotiation of May 31, 1966. The portion of the report having to do with chemicals and the American selling price problem appeared in the CONGRESSIONAL RECORD, volume 112, part 9, pages 11861–11865 of that day. In reviewing that statement I find that it remains accurate. Thus I will deal here only in a general way with the background of the ASP system and how it works, for this has a bearing on the possible change of the system through future legislation.

The American selling price system of customs valuation is one of nine methods for determining how rates of duty shall be assessed on imported items. These nine methods are provided by sections 402 and 402(a) of the 1930 Tariff Act. These sections of the Tariff Act provide that any imported benzenoid chemical which is competitive with a similar American product shall be valued on the basis of the wholesale price of that American product. The same system applies to only three other categories of goods: rubber-soled footwear, canned clams, and wool gloves by the dozen. It is now important only for chemicals and footwear.

A U.S. duty is normally assessed on the basis of the foreign market value of the imported article which is true also of the normal assessment of duties of European and other countries, except that the U.S. uses an f.o.b. basis while other countries use c.i.f. The c.i.f. base vis a vis f.o.b. gives an average rate advantage of about 10 percent to those who use it because the percentage ad valorem duty rate is applied to a base cost that is increased an average of 10 percent by the addition of costs of insurance and freight—c.i.f.

But, under ASP, when a benzenoid chemical enters U.S. ports, the first act of the customs officer is to examine the chemical through a laboratory test, determine whether it is competitive with a similar American-made benzenoid, find out the wholesale price of the similar American chemical, assess the rate of duty on that amount, then finally apply the amount of the duty to the imported product.

#### SOME ATTRIBUTES OF THE ASP SYSTEM

The ASP system is unique in that it alone of our valuation systems provides a

tariff derived from the wholesale price of the American product, whatever that price may be. And the ASP system is unique in that it automatically comes into effect whenever American producers begin to make a benzenoid chemical. In such a situation a benzenoid chemical not made in the United States that had been imported for several years under normal valuation systems and normal rates of duty may be suddenly valued according to ASP if a U.S. company begins to produce it. When the company stops producing it the valuation basis again becomes the normal one.

#### ASP IN THE CONTEXT OF ITS TIME

American selling price became a fixture of American tariff law in the Fordney-McCumber Tariff Act of 1922. It was the sequel to a special law enacted on behalf of chemicals in 1921, for what might then have been adequate reasons.

During World War I the United States had to generate its own organic chemicals industry, in order to supply the domestic market, which had relied almost completely on German chemical production particularly of dyes. By the end of the war the German industry, in the context of the economic disruption of its own economy and the unstable postwar world economy marked by disrupted trade patterns and widely fluctuating prices, fought to regain old markets and reestablish its former dominance. Enactment of the special measures of protection for the portion of the chemicals industry producing "coal-tar" chemicals resulted. In this period chemical industries everywhere were not the integrated industries we know today; they were specialized in areas of production such as explosives, dyes, and so forth. Chemicals using petroleum as a base were almost unknown.

In the extensive Senate debate on the Fordney-McCumber Tariff Act, led in the Senate by Republican Finance Committee Chairman Smoot, Senator Smoot explained that the majority of the Finance Committee had rejected the former embargo as unnecessary because the chemical industry had largely regained its strength, and that the committee had rejected also the American selling price—which was then called "American valuation"—as the basis for the valuation of all American duties. On page 5876 of the CONGRESSIONAL RECORD of April 24, 1922. Senator Smoot explained the reasons why the Finance Committee had rejected the American valuation method:

The [American valuation] plan was abandoned early in the discussion first, because of the limited number of exactly comparable domestic and foreign products; second, the difficulty and probably litigation involved in defining comparability to the satisfaction of importers, domestic manufacturers, and customs officials; and third, the disturbance to business while these difficulties were being adjusted.

Senator Jones, Democrat, of New Mexico, asked later in the debate why then the Finance Committee had adopted American valuation for the chemicals schedule of the new tariff bill, in light of the fact that the bill would permit about 50 percent increase in tariffs. Senator Jones wished to make a case that the

American valuation was simply a disguise for taxes much higher than 50 percent.

Mr. Smoot, page 5881:

The spread in certain items is so great between the foreign valuation and the American valuation that the only way we could protect at all by giving the President the power to increase to the extent of 50% would be on the basis of the American valuation. We could not do it on the foreign valuation.

Mr. Jones:

Then if I understand the Senator, the purpose in conferring power upon the President to change the basis of classification (valuation) is to enable the President to impose a duty which would be beyond 50% of the foreign valuation.

Mr. Smoot:

Absolutely.

Late in the debate, page 5883, Senator Smoot went on to point out that when the American valuation was used:

The duties will be exceedingly high. There is no doubt about that; . . . in fact I will say to the Senator (Mr. Jones) now that if the duty under the foreign valuation were 60% which did not give sufficient protection . . . and the President . . . increased that . . . to a 900% rate of duty . . . The American people might just as well know about it now as at any time . . .

Senator Jones, page 5881, had claimed that the essential purpose of American valuation was to disguise these high rates so as not to "shock the public conscience."

#### THE PROBLEM OF EUROPEAN POST WORLD WAR I RECONSTRUCTION

Prof. J. B. Condliffe, a noted economic historian, writes of this period of post-war reconstruction, in which the United States emerged as the only economically wealthy nation, on page 479 of his textbook, the "Commerce of Nations," as follows:

In its changed creditor status, the United States should logically have moved toward lower tariff duties so as to admit a greater volume of imports. Instead, the first post-war depression led to the Fordney-McCumber Tariff Act of 1922. The average level of duties in this tariff was not very high as compared for example with the average level of the Hawley-Smoot tariff of 1930.

But the increases were shrewdly placed on the very imports that might have done the most to right the balance of payments . . . The American refusal to take payment for its much needed exports by accepting a larger volume of imports diverted the American exporters who needed European markets, and the European consumers who needed American food, materials, and equipment, to what seemed the only possible alternative—American loans to Europe.

This was the period in which ASP originated. Initially, of course, ASP applied only to coal-tar chemicals. It was extended to certain rubber-soled footwear in 1933, boiled baby canned clams packed in their own juice in 1934, and wool-knit gloves worth less than \$1.75 a dozen in 1936. These latter applications of the ASP system are discussed in my May 31, 1966, Kennedy round report referred to above. ASP was used five additional times, in the 1920's. One of these instances was rejected by the courts, the other four were repealed by the 1930—

Smoot-Hawley—Tariff Act. There is precedent for congressional repeal of ASP.

But in the period of the First World War chemistry as an industry was only beginning to be developed. Even in Germany the chemical industry was infant in contrast to other older industries. In the United States chemicals did not become one of our largest industries until the 1930's, and in the rest of the industrial countries the rise of chemicals as an industrial mainstay really had its roots in the late 1930's and the 1940's.

#### DYNAMISM AND CONTINUING INNOVATION

The American chemical industry has come a very long way indeed from its former infancy, as has the entire world chemical industry. According to the First National City Bank of New York's review of corporate profits in 1966 as compared

to 1965—see the April 1967 addition of the Monthly Economic Letter—the chemical products industry—distinct from petroleum production and refining—reported a net income after taxes of \$1.8 billion, the third largest net income for all U.S. manufacturing industries, an increase of 6 percent over 1965. Return on net worth was 15.1 percent, which was above the average for all manufacturing industries as reported by the Securities and Exchange Commission and the Federal Trade Commission, but this is not to ignore that net income increased less for chemical industries in 1966 than it did for many other manufacturing industries.

Chemical industry research and development worldwide is extensive, as the following table based on 1959 data shows:

Percentage distribution of industry R. & D. expenditures in various countries, 1959

[Percentages in each industry]

Industry	Country				
	United States	United Kingdom	Sweden	Japan	Canada
Research intensive:					
Aircraft	32.2	40.2		10.4	
Vehicles	9.2	4.3			30.0
Electronics	12.3	10.9	79.1	14.1	18.2
Other electrical	11.5	9.2		10.6	
Machinery	10.1	9.1		5.6	
Instruments	3.8	2.7		2.3	
Chemicals	13.0	14.2	5.3	29.4	21.0
Total, research intensive	92.1	90.6	84.4	72.4	69.2
Total, other industries	7.9	9.4	15.3	27.3	31.0

Source: Organization for Economic Cooperation and Development; "Science, Economic Growth, and Government Policy" (Paris: 1963), p. 81.

#### INTERNATIONAL CHEMICAL COMPETITION AND INTERNATIONAL PRICING

In its international trade the chemical industry has shown significant international competitive ability. In contrast to the steel industry, the chemical industry prices on an incremental basis, apparently called in industry jargon a net-back basis. That is, it does not attempt to maintain a fixed margin between cost and selling price, rather, it meets competitors' prices in foreign markets just so long as it obtains a reasonable return from the sale above the cost of the item. This pricing practice does not constitute actionable or injurious dumping, though it can a priori be considered sales at less than home market value.

We are therefore discussing an industry that has demonstrated considerable competence and great experience in international marketing—a giant industry that should experience net gain from the export opportunities that would appear to be a result of significant Kennedy round reciprocal tariff reductions.

#### U.S. CHEMICAL INDUSTRY, TRADE NEGOTIATIONS, AND CHANGE

From the data in the preceding table on U.S. chemical trade, 1966 U.S. chemical exports to all countries were \$2.67 billion, as opposed to imports of \$943 million. According to these OECD data, the United States has a trade surplus in each of the categories of chemical production.

But the position of the American chemical industry toward the trade nego-

tiations has traditionally been unenthusiastic. It admits to being satisfied with the international status quo in trade, even though the result of effective cuts in the chemicals sector worldwide could mean an increased volume of trade and therefore greater business, more employment, and hopefully, larger profits.

When looking at the components of an industry's production and activity, there is always the tendency to become wedded to a static viewpoint. It is of course much easier to measure what has happened or what is happening at the given moment, than what will happen in the future. We tend to forget that the key element in any dynamic economy is change. In the American economy we have grown used to the idea that economic change is synonymous with economic growth. The size of the economic pie, the totality of economic activity, is increasing, but businessmen tend to want to maintain at least their former percentage, even though in absolute terms they may be experiencing growth.

An efficiently functioning marketplace economy makes all these economic sharing decisions. But sometimes it is hard for a businessman to accept that the market has determined his share to be proportionately smaller than what it used to be. The realization that it is not as big as it could be if economic relationships were not continually changing tends to make some businessmen attempt to maintain the economic status quo, which is of course incompatible with a



truly dynamic economy as well as their own long-run interests.

So we are continually faced with this question: What is most important, having a bigger pie, or maintaining some historical division of the economy in which industries retain their dominant or less dominant place? This important question is posed continually in all areas of the economy.

#### THE CHEMICAL INDUSTRY AND TRADE NEGOTIATIONS

So the chemical industry as a whole has been hesitant, and the sector of the industry engaged in producing benzenoid chemicals has been outspoken in its opposition to fundamental change in the American selling price system and the rates of duty that are applied on the American selling price valuation basis. This opposition, as one might expect, has taken the form not only of representations to the executive branch of the Government, but also to the Congress, where the activities of the industry, as represented by legal counsel and members of the industry, have been intense.

The reason for this representational effort, of course, is that it has been acknowledged by the executive branch for some time that any change in the American selling price system would require congressional implementation.

Senate Concurrent Resolution 100, passed by the Senate in the 89th Congress on June 29, was an attempt to dissuade the executive from even starting negotiating in this area on the theory that the 1962 Trade Expansion Act did not provide authority to do so. Senate Concurrent Resolution 100 was the subject of an explanatory letter my fellow House congressional delegate, my colleague from California, CECIL R. KING, and I addressed to the members of the House Ways and Means Committee on July 10, 1966:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., July 20, 1966.

DEAR COLLEAGUE: On June 29, the Senate passed S. Con. Res. 100 expressing the sense of the Senate that the President should not go beyond the authority given by the Trade Expansion Act in the "Kennedy Round" trade negotiations at Geneva (CONGRESSIONAL RECORD, vol. 112, pt. 11, pp. 14704-14709). The Resolution is primarily directed against possible negotiation to remove the American selling price (ASP) system of customs valuation. Secondly, the Resolution is directed against efforts to negotiate an international anti-dumping code.

As background, you may want to know that Governor Herter, at the request of the President, has asked the Tariff Commission to convert the duty rates now based on the ASP system to conventional rates. Four groups of products are now subject to ASP: benzenoid (coal-tar) chemicals, certain rubber-soled footwear, boiled baby canned clams and certain wool gloves. In making the conversion the Commission has held a public hearing at which representatives of these industries testified. After the Tariff Commission makes such a conversion it will hold another public hearing to determine the economic effect of conversion of rates on the industries concerned. Then the President will decide whether to negotiate removal of ASP on a contingent basis. If he so decides, and negotiations take place, then the President must return to Congress for approval of the results of the negotiation.

CXIII—1148—Part 14

In the meantime, U.S. representatives at Geneva have begun to discuss hypothetically with representatives of foreign nations what they might be prepared to offer in exchange for changing the ASP systems; whether it might be worth our while in reciprocal concessions from Europeans and others, partly in the chemical sector, to consider beginning actual negotiations. These explorations began in early May.

Against this brief background we are enclosing for your further information a copy of a letter we have received from the President's Deputy Special Representative for Trade Negotiations, Ambassador William Roth. In his letter Ambassador Roth states why he considers the primary concern of S. Con. Res. 100 to be groundless.

Sincerely,

CECIL R. KING.  
THOMAS B. CURTIS.

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS,

Washington, D.C., June 30, 1966.

HON. CECIL KING,  
House of Representatives,  
Washington, D.C.

DEAR CECIL: As you know, on June 29, 1966, the Senate passed Senate Concurrent Resolution 100. This resolution is apparently intended to express the sense of the Congress that the President should not enter into a trade agreement affecting, in particular, the American selling price (ASP) system of customs valuation before obtaining statutory authority to implement such an agreement. I recognize that the operative language of the resolution is stated in general terms, but I know of no issue in the Kennedy Round other than the ASP system which would come presently within its terms.

We are sorry that the Senate saw fit to pass this resolution, because we do not feel that the concern which underlies it—however legitimate—is actually warranted. We gather that the resolution was prompted basically by a concern that any trade agreement which the President might enter into concerning the ASP system would present the Congress with a *fait accompli*, and that the Congress would have no choice but to pass the necessary implementing legislation. This will not be the case, as we have said before, for the following reasons.

First, the Congress would be kept fully informed at every step. Before the President decides whether or not to offer a modification of the ASP system, two public hearings will have been held. This will permit the Congress, as well as interested private parties, to consider the issues regarding any possible modification of the ASP system. Moreover, before a decision is made, the Congressional Delegates to the Kennedy Round will be able to observe the progress of the exploratory discussions in Geneva, as one of the Congressional Delegates did at the first meeting early in May. In addition, the Congressional Delegates will also have an opportunity to follow the conduct of any formal negotiation concerning the ASP system.

Second, the Congress would be free to accept or to reject any agreement concerning the ASP system on the basis of its individual merits. The United States has already made it abundantly clear and will continue to emphasize that the Congress would, in effect, have to approve any agreement involving the ASP system, and that it would do so only if such an agreement provided mutual and equivalent benefits. Moreover, it is clearly understood that any such agreement will be separate and distinct from the overall Kennedy Round agreement. Therefore, in considering whether to enact the necessary implementing legislation, the Congress would

be able to appraise any such agreement on its individual merits, without getting enmeshed in the rest of the Kennedy Round.

Accordingly, it is our considered judgment that the present exploratory discussions in Geneva concerning the ASP system fully safeguard the freedom of action of the Congress, and that this would be equally true of any formal negotiation on this issue. However, as you know, there will be no such negotiation unless and until the President, after having reviewed the results of the two Tariff Commission hearings and of the exploratory discussions in Geneva, decides to proceed. As we continue our discussions in Geneva with respect to the ASP system, we will make a particular effort to see that you and your staff are kept fully and continuously informed. We would also urge you to attend a session in Geneva concerning the ASP system whenever your schedule permits.

I am sending this letter to the other Congressional Delegates as well.

Sincerely,

WILLIAM M. ROTH,  
Acting Special Representative.

THE CONVERSION OF ASP TO NORMAL VALUATION METHODS

Responding to the continued European pressure to modify the American selling price, and with the realization that without some movement on ASP a large segment of U.S. export trade, in which the United States had an important interest, namely all chemicals, might otherwise not benefit from potent tariff cuts, the Special Representative for Trade Negotiations agreed to open discussions in the Kennedy Round to indicate U.S. willingness at least to consider attempting to achieve congressional elimination of the system if satisfactory bargains were offered to the United States to make the conversion worthwhile.

At that time one of the difficulties of taking such a decision was, plainly, that no comprehensive study had ever been made of the American selling price system, including some understanding of what it meant in trade terms—that is, what its actual effect as measured by an ad valorem tariff really was, and what the trade flows over and around this barrier really looked like.

How to determine these facts about the effects and the workings of the ASP system were debated within the administration for over a year, because any attempt to convert or to translate rates entailed many administrative and statistical complexities. These complexities, which related largely to the collection of data on import sales of benzenoids and other items subject to ASP, and methods of evaluating the data to insure its accuracy, were discussed in my May 31, 1966, report on the Kennedy Round in the CONGRESSIONAL RECORD, volume 112, part 9, pages 11856-11859.

In order to determine the economic meaning of the American selling price system, the Tariff Commission was requested by the Office of the Special Representative for Trade Negotiations acting at the request of President Johnson to schedule a second set of hearings. At these hearings the domestic chemical industry and importers would be able to present their views of the accuracy of the converted ad valorem rates and of

the economic impact of the suggested course of action.

The Commission's hearing on the conversion brought forth the representatives of interested groups and had an excellent effect. After years of too often uninformed discussion about ASP, the ASP system was in a position to be evaluated. The participation in the hearing by the domestic industry and by importers resulted in the presentation of extensive data on the sale prices of foreign chemicals, data which were not available to the Commission and data which the Commission used to make more accurate rate conversions.

One result was that Mr. Marshall Young, then vice president of the Monsanto Co., could say to the Commission at the fall hearing on economic impact that "your acceptance of documented foreign pricing for the conversion of some of the rates is a clear indication of the Commission's determination to be objective."

#### NAGGING OBJECTIONS TO CONVERSION

Nonetheless the benzenoid chemical industry has not accepted the conversion as providing protection equivalent to that provided by the ASP system. In the words of Mr. Young, "conversion to new rates and the elimination of ASP do not result in a tariff system equivalent to ASP which automatically adjusts for the cost disadvantages of manufacture in the United States."

This objection to the Tariff Commission's conversion would apply to any conversion, or abandonment, of the ASP system. For the conversion of rates could be utterly honest and fair, but the removal of the system would eliminate its unique tariff effects: its responsiveness to changing domestic prices, production decisions, and its nontariff trade barrier effects.

Thus, when the Tariff Commission removed the competitive, noncompetitive distinction at the root of the ASP system—when a foreign product is competitive then it is assessed on the basis of the wholesale selling price of the American competing product, rather than its own price—it attempted to do so in such a way as to, when converted, yield the same amount of duty as would be yielded under the ASP provisions, but it removed the unusual valuation provisions at the root of the system.

But the dye sector of the benzenoid industry has additional complaints, relating to the adequacy of the conversion, that should be related here: These complaints in part concern a basket item in the portion of the converted benzenoid schedules relating to dyes—item 406.50-J—a basket which could potentially contain thousands of individual imported dyes because of the development of new products, changes in the names of products and other reasons. This would occur even though the Commission, in establishing the new schedule of converted rates, attempted to "line out," or provide a rate specifically for, all items in which trade in 1964 had been important. And in determining "importance" they chose to use a "sliding scale" of value. That is for example, trade in an item with a duty rate of 20 percent would be important

if the trade were \$200,000. But trade worth only \$20,000 over a rate of 75 percent would also be considered important.

The benzenoid industry claimed the averaging process to be unfair because it refused to recognize the competitive, noncompetitive distinction that is the most distinct feature of the American selling price system. According to Tariff Commission Report No. 181, page 55:

To continue that distinction in the converted schedules could be accomplished by "freezing" the competitive-non-competitive status of imports as of 1964 and providing for compounds not imported in that year at the competitive rate (on the assumption that the varied domestic production would have provided competitive articles had not the ASP provisions presented competing imports). However, such a solution would require naming specifically about 1,700 non-competitive articles imported in 1964 (many of them trade-named articles).

On the other hand, a substantial degree of equivalency of protection for those benzenoid chemicals imported in 1964 has been achieved by specifically naming as many compounds within the various sub-categories as sound standards of tariff nomenclature would allow.

The dye industry has also been concerned for two other reasons. One was that the existence of the large basket item 406.50-J with the "low" rate of duty of 48 percent would cause distortion of the trade and not provide "equivalency of protection." For example, in the case of a certain black dye, that in one chemical formulation is valued at 80 percent, there is an incentive to domestic users to obtain a cheaper black dye or a new, renamed, or reformulated black dye that could be imported under the basket rate of 48 percent.

Second, the industry has pointed out that the international color index system, the usual basis on which the dye duties have been "lined out" in the U.S. schedule and the system on which the Tariff Commission based its converted schedules for dyes, can be changed in several ways. The estimation of the dye industry was that, if the distinction proposed by the Tariff Commission were continued, within 3 or 4 years procedural and legalistically proper changes will have been made whose effect will be simply to change the nomenclature of dyes to make them importable at the "low" basket rate of 48 percent. Because there would be distinct economic incentive to rename dyes so that they would be imported in the basket, the dyes would in fact be renamed and in time all dyes would be imported at the low basket rate.

This was a valid and telling argument, but it was in effect obviated by the manner in which the dye duties were handled in the second ASP package negotiated at Geneva. Because all dyes will, if the package is enacted, have a single rate of 30 percent, there will be no economic or technical incentive to shift from one category to another.

The discussion and debate about the adequacy of the conversion in providing equivalency, and the question of technical flaws in new converted schedules for dyes particularly, have continued since December 23, 1965, when the special representative requested the Tariff Commis-

sion to convert the rates, in his words, "in order to provide a sound basis for U.S. policy in this field."

#### THE NEGOTIATION OF ASP IN THE KENNEDY ROUND

At the outset, the special representative assured that there would be no decision to negotiate ASP without basically observing the prenegotiation procedures set forth in the 1962 Trade Expansion Act, including Presidential decision to negotiate based on interagency recommendation and Tariff Commission advice. Because the negotiation of ASP would not take place under authority of the Trade Expansion Act but rather be negotiated ad referendum there was no legal requirement that the prenegotiation procedures in the 1962 Trade Act be used.

But from the outset there have been insinuations of bad faith on the part of the special representative, and implications that the intention of the special representative was to negotiate the ASP system in Geneva prior to the final Tariff Commission conversion prior even to the tentative conversion of rates and also before the Commission's study of the economic impact of their conversion and reduction by a hypothetical 50 percent.

From my own experience with the negotiations, including my presence at the negotiations in Geneva when the United States in May 1966 began its first exploratory talks with European and other delegations about the ASP system to determine what they might offer in exchange for change in the system, and from constant contact with the problem throughout the period during which it has been a concern, I would judge that, in carrying out his intention to negotiate ASP in the context of the Kennedy round, the special representative has given every indication of awareness of the need to achieve substantial reciprocal bargains in return for changing the system, has consistently presented change in the ASP system as requiring congressional approval, and has attempted to act fairly and in good faith with the domestic industry.

#### WHAT IS THE NATURE OF THE BENZENOID INDUSTRY?

It will be useful to define and describe the benzenoid chemical industry. How many firms, of what size, could be affected by ASP change? In discussing benzenoids, the tendency seems always to speak as if it were a sector of production isolated from all other chemical production, a type of product made by a wholly distinct group of firms.

If we were to take the statement from Tariff Commission Report 181 that "724 manufacturing companies employing 116,000 persons" made benzenoids, it might appear that the ASP system is responsible for the continued existence of all these firms and all these workers. But this does not seem to be the case.

There is some doubt about the accuracy and coverage of the data on employment presented by the Commission. First, the data was collected by means of a Tariff Commission questionnaire to the industry, not through an actual field investigation. And there is



the possibility that the reported information tended to maximize the number of workers by including all those production as well as salaried employees whose jobs would in some way be affected by removing the ASP system, such as those only part of whose day is spent making or marketing a benzenoid chemical. It is possible that the number of employees directly involved in benzenoid production could be as low as 60,000 instead of 116,000. On the other hand, there are those who contend that benzenoid employment could actually be greater than 116,000.

Of the 12 types of benzenoid chemical products subject to American selling price valuation all of which the Synthetic Organic Chemical Association believes to be subject to inquiry, there are only four considered to be sensitive to removal in the ASP system. These four types of production are pigments, intermediates, dyes, and azoics. In each of these product groups, except azoics, analysis shows that a group of large companies account for the bulk of production, and that many of the same large companies are the biggest producers in each of the three areas.

In intermediates, for example, about 16-odd companies account for the bulk of production, worth in total \$711 million in 1964. Among these are Monsanto, Dow, Du Pont, American Cyanamid, Allied Chemical, Goodyear, Goodrich, Hercules, Eastman Kodak, Mobay—Monsanto-Bayer—Koppers, Shell, Cal Standard, Union Carbide, and General Aniline. Of course, all of these companies produce many other products. Imports of intermediates as a proportion of domestic sales were 2 percent in 1964.

Dye and dye intermediate makers reporting to the Tariff Commission in 1964 numbered a little over 40. Of these, it is estimated that only about 35 sell dyes. That is over 40 firms are said to produce dyes for consumption somewhere in their own operations, but about 35 actually sell dyes in the marketplace. About one-half of all dye sales, worth \$264 million in 1964, were accounted for by only four firms. A handful of other large firms account for more than three-quarters of total sales. The biggest plant in the industry is that at Tom's River, N.J., owned by a consortium of three Swiss firms, which employs 800-1,000 people, it is estimated. The same three Swiss firms are also reported to be closely linked with several German chemical companies.

The other major dye producers include Du Pont, General Aniline, and the National Aniline Division of Allied Chemical, Cyanamid, Southern Dyestuff Division of Martin-Marietta, Hilton Davis Division of the Sterling Drug Co., American Aniline, and the Verona-Pharma Corp.

Of the remaining dyemakers which reported to the Tariff Commission in 1964, most are allied with some larger firm. For example, Otto B. May Corp., of New Jersey, a medium-sized firm, is owned by the large textile firm of Cone Mills, Southern Dyestuff is a division of Martin-Marietta, and Berkshire Chemical is a division of the Tenneco Chemical

Co., itself a part of Tenneco, Inc., which, according to Fortune magazine's directory of the 500 largest firms, is ranked 53d.

However, there is a committee of dyemakers called the Ad Hoc Committee of Dye and Dye Intermediate Producers composed of 16 members which are largely independent—Berkshire and Southern Dyestuff are members of this group. This group of 16 claims also to speak for 40 other independent dyemakers. It should also be noted that the ad hoc committee comprises makers of pigments and azoics as well as dyes and dye intermediates.

The third area of import-sensitive benzenoid production is azoics. Azoics are said to account for about \$9 million of U.S. benzenoid sales in 1964. Four firms accounted in 1964 for the bulk of azoic sales. Less than a dozen firms account for the entire azoic production.

The fourth area of production, pigments, shows the same pattern of production. Here 1964 sales of \$84 million are accounted for by firms among which the following seem to account for the bulk of production: Du Pont, Holland-Succo Division of Chemetron, Sherwin-Williams, American Cyanamid, Harmon Division of Allied Chemical, Imperial Color Department of Hercules, General Aniline, Hilton-Davis, Ansbacher-Seigel Division of Sun Oil, Federal Color Labs, and Ridgeway Color Division of Martin-Marietta. Imports of pigments were 1.3 percent of domestic sales of pigments in 1964.

#### WHY THE BENZENOID CHEMICAL SECTOR ASKS SPECIAL TREATMENT

The benzenoid chemical industry trade association is the Synthetic Organic Chemical Manufacturers Association—SOCMA—and secondarily the Manufacturing Chemists Association—MCA. SOCMA claims that its 75 members account for 80 percent of U.S. benzenoid production subject to ASP. A SOCMA publication titled "Tariffs and the U.S. Benzenoid Chemical Industry" presents the case of those in the industry opposed to changing the ASP system, which I will outline briefly here. Copies of this report may be obtained from SOCMA, 261 Madison Avenue, New York, N.Y.

In general, the industry claims that a sound benzenoid industry should be maintained in this country; that this requires an equalization of U.S. production costs with the substantially lower cost of production in Europe and Japan; and that tariffs based on the American selling price provide the best known procedure for accomplishing the required equalization.

The SOCMA arguments for unchanged ASP protection more specifically is as follows:

First. Because of the nature of the molecular structure of benzenoid chemical it is necessary to produce and to sell all of a series of benzenoid coproducts, all of which may not be in demand, with the result that some products provide the bulk of the income and others are available at extremely low prices.

Thus SOCMA argues that if a substantial quantity of one key coproduct were to be imported into this country

at a low price it could break that necessary economic balance and make an entire line of products uneconomical.

Such an effect assumes that there will be serious injury to the benzenoid industry. This assumption is challenged by Dr. Walter Haines in his study for the organic chemicals group of the American Importers Association. Dr. Haines, chairman of the Department of Economics at New York University College of Arts and Sciences, using basic data prepared by the firm of Arthur D. Little for the SOCMA itself, shows in this data that even under a 100-percent cut in all duties to zero there would still occur growth in sales. Dr. Haines' method was to present data from 1954 to 1964, obtain an average yearly growth rate for sales of all benzenoids of about 7 percent and apply this to the next 10 years, then to compare this with a projected growth of imports under a 50-percent tariff cut, and under a 100-percent tariff cut.

Dr. Haines' conclusion—page 83—is that "the effect of a 50-percent reduction in all benzenoid duties will be to reduce the annual rate of growth of domestic sales from a level of 7.1 percent—1954 to 1964—to one of 6.3 percent—1964 to 1974." And this would occur in spite of a rise in the rate of growth of imports from 14 to 30 percent. On page 86 he concludes that:

So boundless is the potential of this industry that even the complete elimination of tariffs will not cause it to decline in terms of sales.

Second. SOCMA argues that because product prices vary considerably among all countries producing benzenoids, there is no "uniform market price on which to base a tariff." The SOCMA argues that an attempt to base ASP tariff rates on the same base used for all other imports, called foreign value or export value, will not provide adequate protection because the foreign prices vary too greatly and cannot be "counted on."

On the other hand it can be argued that were import trade in benzenoids to increase, this situation would somewhat modify. And it is possible to challenge the assumption that the trade in benzenoids is so different from other types of trade that it requires a special valuation system. The argument that widely fluctuating foreign prices required a more stable valuation base was used as a justification for the American selling price in 1922 debates. Then it had as substantiation the wild inflation of the German currency. There is no need to have a "uniform" foreign price level on which to base a tariff at present.

Third. Many benzenoids are made by a "batch" process, in contrast to continuing production runs which allow efficiencies of scale. Because batch preparation requires higher labor costs in relation to other costs, it is said to be cheaper to produce benzenoids abroad, though there is a distinction made between small batches and medium batches. In the former, SOCMA says the United States is generally unable to compete in world markets.

On the other hand it is argued that the "batch process" argument applies only to a small portion even of dye and

azoics production, which was only about \$264 million out of a total benzenoid production of \$3.9 billion in 1964. Closely related to the "batch process" argument is the argument that labor costs abroad are very much lower than in the United States, and therefore the totality of production costs are necessarily lower. The fact that the United States actually exports dyes is proof of some international competitive ability.

Fourth. SOCMA argues that foreign production is "rationalized," that is, one or two producers supply the entire foreign country's needs for certain products, versus four or five producers in the United States. This gives foreign producers volume as well as production advantages, because U.S. antitrust law prevents similar "rationalization" of the U.S. industry. To evaluate this claim there should be some attempt to compare benzenoid production by type with production in other major producing countries, to determine the relative size of each.

Fifth. SOCMA argues that the result of reduction of duties on benzenoids would be a loss of incentive for research in the benzenoid field particularly in the creation of new dyes for new synthetic fibers, and in the development of coproducts that have important industrial uses. U.S. fiber producers, SOCMA argues, could not hope for "truly dedicated assistance" from the European dye industry, because the European dye producers are also producers of synthetic fibers.

If it is true that no danger to the industry will result from tariff cuts then this argument cannot be applicable. Even if there is some damage to the industry there is no presumption that research activity will cease. On the other hand, let us stop to take a closer look at the relationship between research and the ASP system. I recall a report that the head of the benzenoid operation of a major U.S. chemical producer complained that for years he had been trying to obtain capital funds to develop his dye operation, but that the board of directors would not allocate the investment funds in his direction. There was clearly no need to do so; why invest to develop an already profitable operation with no tough competition? This experience would indicate that the existence of ASP has been a disincentive to research. I understand that a new patent in dyes has not been filed since 1933. On the other hand one of the competitive effects of a decrease of benzenoid duties could actually, it is argued, stimulate research and investment in new ways of making the same products.

#### WHAT IS THE MARGIN OF INJURY FROM CHANGING THE ASP SYSTEM?

I have described above the composition of the benzenoid chemical industry in terms of production of four types of benzenoids considered to be particularly sensitive to competition from foreign production. How can the impact of converting and cutting the rates of duty on these items be accurately measured, and what is the possibility of actual "injury"? These questions are at best difficult to answer.

In the dye area, at least two firms of

substantial size have made some decisions regarding their future business operations as contingency planning were ASP to be removed. I will outline these plans here in order to give an idea of the way in which these firms would continue to operate by adjusting to new market conditions, and how they might continue to operate in such a way, as to retain the special close relationship with our American fiber producers that is of concern to the textile industry. This type of operation is essentially the same as that used by the 13 foreign subsidiaries making benzenoids in the United States.

One of the firms in question would first begin to import foreign semifinished dyes, and finish them in the United States to provide customers with their usual product. It is estimated by the Customs Bureau that the amount of value added to finish dyes for marketing may be 20 percent and much higher.

Second, the company would establish in conjunction with a foreign firm a dye-stuff and intermediate plant in a foreign country, in order to supply both growing European business and their own U.S. needs and to provide a competitive manufacturing facility for its research and new products.

In these ways the firm would continue to maintain its sales network and its ability continuously to supply American dye customers with their needs. So there should be no automatic presumption that employment will be immediately and directly affected by change of this kind; the firm would continue to be a viable business operation, taking advantage of the economics of the changed situation and perhaps even reshaping itself into an international company with large European sales.

Nonetheless, for all the above reasons, and reasons relating to the adequacy of the Tariff Commission's judgments on economic impact of conversion and cutting, certain elements of the U.S. benzenoid chemical industry along with some of those the dye industry have registered opposition to changing the system at all.

These elements have given an erroneous impression that the chemical industry as a whole is hostile to the GATT negotiations. That the industry is not unified in opposition to the negotiations has become evident during the past month. This diversity of opinion within the industry is itself evidence that some chemical firms believe that on balance the negotiations were beneficial to their own export sales and to the long-run interests of the entire economy.

#### THE EUROPEAN STAKE IN THE REMOVAL OF AMERICAN SELLING PRICE

The European stake in removing the ASP system and cutting the converted rates by large percentages is tactical, economic, and emotional. These three motivations were clear during my discussions with European businessmen, trade association executives, and officials of governments in early December 1966, particularly in Germany, France, and Belgium but also in Britain.

The tactical importance of the American selling price system to Europeans was to balance the pressure that Ameri-

cans applied on the European Community to remove or modify its newly developed farm systems. Clearly the European tactical interest was to find the basis of a negotiating counterthrust and they chose what they thought to be the Achilles heel of the American tariff structure, the American selling price, particularly its application to the only sector where it really mattered to Europeans: benzenoid chemicals. And in benzenoid chemicals the Europeans saw that their unfavorable balance of trade in such chemicals could be better balanced toward their favor by expanding the American market for European benzenoid chemicals.

The countries most interested in converting, then cutting, the converted American benzenoid rates were Germany and France. Italy, with no real export interest in benzenoids, chose to make an issue of ASP removal to the point of impeding agreement on the Common Market's position in the chemical sector. Italy's motive seemed to be to remove chemicals entirely from the Kennedy round and thus to protect its own chemical industries.

To evidence its determination to make an issue of the narrow ASP problem the Common Market made some major exceptions from its offers—it excepted from the negotiations three of its tariff "chapters"—29, 32, and 39—containing chemicals—and made partial and conditional offers on the remainder. It seemed, plainly, that the U.S. interest was to reduce the rates in these schedules, which covered a very substantial share of U.S. exports. Common Market exception of these items was indeed a serious threat to our continued exports.

Thus in the final weeks of decision ending May 15, the two issues that predictably became pivotal were the American selling price and gains. The final bargains that were made in order to seal the negotiations on May 15 were made mostly in these two most important items.

Because it had been emphasized for several years as important for tactical reasons, and because there is a strong European economic interest in removing the American selling price system for benzenoid chemicals, the ASP issue by the time of my December 1966 trip to Europe had been allowed to become quite an emotional issue.

German and French chemical producers and certain Common Market officials spoke of the American selling price system as "the symbol of the difficulty of competing in the American market," or the "symbol of American protectionism." I was amazed at the extent to which economic sin—American variety—was identified with the ASP system. It is superficially comparable to the way in which many Americans, myself included, have spoken of the variable levy systems and its elaborate applications to EEC farm production. The key difference is that ASP is a system of limited applicability that has not been applied to a new product since 1936. In contradistinction the variable levy and its supporting agricultural price systems is a major new development with far-reaching effects on international trade in farm products.



## EUROPEAN ARGUMENTS

The Europeans with whom I spoke in December had an outlook on the American selling price system and the negotiations relating to it that may explain why the negotiations became so difficult.

First, they did not seem to accept the American argument that the conversion from one system to the normal system was itself a change requiring payment in terms of European nontariff barriers. In taking this position they were inconsistent with their own past complaints about the troublesome mechanics of the operation of the ASP system, mechanics that allegedly caused exporters to the United States so much difficulty and gave ASP nontariff barrier attributes.

Second, there was an extraordinary unwillingness to accept, or even to think in terms of, the need to make reciprocal offers in chemicals and in benzenoids in return for our negotiating ASP rates.

Third, there was unwillingness to accept the need for a separate package of bargains on benzenoids that required implementation by the Congress. Even the requirements of congressional approval was somewhat questioned.

My reply to these comments was to assert that in order to succeed in implementing the conversion of ASP by Congress there would have to be meaningful tariff and nontariff offers by the Europeans—offers sufficient to make the same American industry and unions that might oppose the conversion feel that the advantages of conversion were at least equal to the disadvantages.

## KENNEDY ROUND TRADE NEGOTIATIONS

The problem of American selling price was felt as early as November 17, 1964, when exceptions lists were tabled in Geneva. As I noted above, at that time the European Community withheld its tariff "chapters" 29, 32, and 39, which contain products of substantial U.S. export interest. Thus, the chemicals sector became one of the problem sectors isolated by consent of the participating countries in the GATT for special negotiations as a sector. Countries participating in the sector discussions were initially the EEC, United Kingdom, Switzerland, and the United States. These were later joined by Japan.

The difficult decision to study publicly the ASP system was taken and the Tariff Commission was requested, as I described above, with the help of the Customs Bureau, to convert the rates based on American selling price to normal ad valorem rates, even though in order to do so a certain amount of selectiveness would have to be used in choosing the data on which to make the study. As I indicated above, the study went forward in the Commission. By early May, 1966, a list of tentative converted rates was made available by the Commission to the special representative and a discussion with other delegations, at which I was present, was held at Geneva.

## U.S. CONDITIONS FOR NEGOTIATING ASP

In opening its discussion of ASP, the U.S. delegation made the following points:

The discussions were to be purely an exploration of what might be feasible and they were in no way to be taken

as constituting a formal offer on the part of the United States, or even a commitment to make such an offer at some future date.

Second, our trading partners must be willing to specify significant offers before the United States would decide whether or not to offer such a concession on ASP.

Third, any negotiation on ASP must be on the basis of a separate reciprocal package unrelated to the general Kennedy round agreement, so as to avoid making the latter conditional upon implementation of the ASP agreement. Thus the United States made what was to prove to be the key decision not to jeopardize the entire chemical negotiations by returning them for congressional approval but to make fullest possible use of the Trade Act's negotiating authority in chemicals, and to return a separate ASP-oriented, self-balanced, package to Congress. This strategy was dubbed the "two-package" approach.

Fourth, with respect to benzenoid chemicals, in particular, any concession by the United States on ASP would require significant Common Market offers on chemicals, especially benzenoid chemicals.

Fifth, any ASP agreement would require implementing action by the U.S. Congress, just as it might require approval by other nations' parliamentary bodies.

In other words, the U.S. delegation made clear that ASP had two effects, which would require separate payment to remove. The first effect, the nontariff barrier effect, would require payment by the Europeans in kind: in terms of a nontariff barrier such as the road tax. Our modifying the second effect, the tariff effect of ASP, would moreover require other nations to give concessions in the chemical sector and also specifically in benzenoid items.

In making these opening moves, the United States met the negotiating challenge squarely, and put other negotiators in the position of having to respond to the American suggestion. As late as Christmas 1966, only two nations, Switzerland and Britain, had responded with offers based on our hypothetical proposal.

## TWO PACKAGES, ONE "DECOUPED" FROM THE OTHER

The problem then became to convince the Common Market of the American tactical approach to the problem, the so-called "two-package" approach, a concept given by the Community the French name "decoupage," or loosely translated, "cutting apart." It has been observed that the very fact that this American idea was given a French name was itself an indication that the Community had understood the importance of the concept and that therefore the Americans had won at least a psychological victory. Even so, the Community was very slow in making a concrete offer based on the "decoupage" principle. Acceptance of "decoupage" by the Community was in fact a key step in the solution of the ASP problem in the final decisionmaking in May.

## RECIPROCITY IN THE FIRST PACKAGE

Each package is said to be reciprocal in dollar terms. The first package pro-

vides that the United States shall cut the duties on all chemicals, including present duties on benzenoid chemicals based on ASP, by an average of about 40 to 42 percent. The EEC, United Kingdom, Switzerland, Japan, and others will make cuts in combination averaging about 25 percent.

The cuts of the United Kingdom and the EEC are partial cuts. The EEC agreed to make 50 percent cuts on a group of items, and somewhat less than 50 percent on another group. It will make no cuts on only three items. On items on which it has agreed to eventual full 50-percent cuts, it has offered in the Kennedy round—first package—to cut by 30 percent those chemicals with rates of 25 percent and higher; by 35 percent on chemicals of primary interest to third countries—such as Switzerland—and by 20 percent on other chemicals. The remaining percentage cuts are conditional on ultimate U.S. change in ASP.

On chemicals eventually to be cut by less than 50 percent, two-fifths of the cut will be made in the Kennedy round, the remainder will await congressional implementation of ASP. The United Kingdom offers in the first package are roughly similar in scope to those of the Common Market, Switzerland, Japan, and others cut by close to 50 percent in the first package. U.S. exceptions included no reductions and some small partial cuts, on duties where rates are already low, and on a few specialized items relating to lead and zinc.

On the surface the first package would appear to be out of balance to the disadvantage of the United States if considered only on the basis of the percentage cuts. But in this case, measurement of reciprocity—always a difficult task—should not be based only on percentage duty cuts. In the case of chemicals the better measure is the effect on the dollar volume of trade subject to tariff cuts, and the potentials for increasing that trade as a result of tariff cuts.

In one sense, reciprocity is synonymous with opportunity. The best government can do is to provide opportunity for expanding exports by obtaining cuts in the barriers that inhibit exports. In the first chemicals package there was a significant success in cutting substantially the duties of our trading partners on items appearing to be of great export interest to the United States.

Thus, the United States, as a large net exporter—\$2.7 billion in exports versus \$940 million in imports in 1966—has achieved the substantial percentage cuts mentioned above on a broad range of products that it already sells in volume and in items where U.S. exports are growing fast and where good potential seems to lie. On the other hand, the United States has made substantial tariff cuts on a much smaller volume of chemical import trade. If the tariff cuts received by the United States and the tariff cuts we made on the volume of import trade are expressed in terms of dollars, it now appears that the United States has actually obtained in the first package a positive dollar balance in our favor.

Even though in terms of percentage cuts alone, the first package might not

seem reciprocal, in terms of dollar trade flows the United States can gain.

Typical of this situation is plastics where, upon completion of the second package, foreign duties will be 10 percent or less. In organic chemicals other than plastics duties now up to 33 percent will generally be no higher than 12 percent.

#### SHARE OF DUTIABLE IMPORTS

The importance of percentage tariff cuts can also be measured by the amount of trade to which tariffs apply. Generally speaking, our principal bargaining partners in the chemicals sector apply duties on a larger portion of their chemical trade than does the United States. This would indicate that an equal percentage cut in all countries' tariffs could have less meaning for the United States than for some of our principal trading partners.

For example, 79 percent of U.S. chemical imports from the EEC were dutiable in 1964, whereas 88 percent of EEC imports from the United States were dutiable in 1964. U.S. duty-free treatment of chemicals is principally in the raw material or crude form of chemicals, such as chemical fertilizers. The United States is also a large exporter of bulk chemicals as well as of finished products. Thus, in 1964, 18 percent of U.S. imports from Canada were dutiable, and 56 percent of Canadian imports from the United States were dutiable. Also in 1964 90 percent of U.S. chemical imports from the United Kingdom were dutiable compared to 93 percent of U.S. chemical exports to the United Kingdom. In such cases an equal tariff cut has more meaning for U.S. exports than U.S. imports.

#### RECIPROCITY IN THE SECOND PACKAGE

In the second package, which requires implementing legislation on the part of the United States, the United States agrees to remove the American selling price method of assessing customs duties. Then the converted Tariff Commission rates would be cut by 50 percent, and, where the converted rate still exceeds 20 percent ad valorem, it will be brought down to 20 percent. This formula will apply to virtually all the benzenoid chemicals subject to ASP. Among the exceptions will be certain drugs which need not be cut below 25 percent ad valorem after a 50-percent cut, and dyes and azoics need not be cut below 30 percent ad valorem after a 50-percent cut.

In exchange for these cuts in converted ASP rates, the United Kingdom and the EEC will generally make further cuts of 20 to 25 percent or more, bringing the rates of duty on chemicals for the EEC and the United Kingdom down to or less than an average rate of about 12 percent. In some cases the United Kingdom will cut by 60 percent in order to reach this low level. After the second package is complete all of the major participants will have cut by an average of about 45 to 48 percent substantially all their chemical duties.

#### FOREIGN NONTARIFF CONCESSION IN THE SECOND PACKAGE

Also, to pay for the removal of the adverse nontariff effect of ASP system, the United States demanded and got modifications of nontariff barriers by the

Common Market, the United Kingdom, and Switzerland. The most important of these nontariff barrier concessions made in return for American selling price is modification of the Common Market's road taxes. There is some debate about the meaning of this concession for American auto sales in Europe. From my discussions in France in December, however, it would appear that distributors of U.S.-made autos in Europe would benefit greatly from modification of the effects of the road tax.

The British concession, modification of the Commonwealth preference on tobacco by a cut of about 25 percent in the most-favored-nation-MFN—rates, could have real meaning for U.S. tobacco exports. At present U.S. tobacco exports are inhibited by an astonishingly wide range of foreign tariff and nontariff barriers. Two important reasons are: First, that in many countries tobacco is State controlled; second, taxes on tobacco sales are a large source of revenue in many countries. The cut in the margin of preference enjoyed by Britain's Commonwealth members should have trade meaning particularly in respect to diminishing the preferential advantage of Rhodesia, traditionally a large supplier of tobacco to the United Kingdom until cut off by Britain for political reasons last year.

Finally, in recognition of the nontariff barrier effect of ASP, Switzerland has offered to modify its regulations on imports of canned fruit.

At the completion of the second package and the staged reductions of tariffs after the Kennedy round, foreign chemical duties will be at very moderate levels. Few chemical duties in the United Kingdom and the EEC, for example, will be greater than 12 percent. Reduction of chemical duties by Switzerland and the United Kingdom will allow U.S. exports greater access to the entire market of the eight countries of the European Free Trade Association.

It appears that the negotiations in the chemical sector have been among the most successful in any sector in achieving the original goals set for the negotiations, given the difficulties in this sector from the beginning of the negotiations, and the last-moment negotiating impasse on the problem of the two-package approach.

#### IMPORTANT PROBLEM OF BORDER TAXES

Success has been achieved in tariff negotiations and the effects of the negotiations in terms of tariffs can be predicted to offer substantial new advantages to the American chemical industry, as well as new challenges.

But the reduction of tariffs to low levels in all major trading countries, is only the beginning of the elimination of barriers to exports of U.S. products. In a speech to the Synthetic Organic Chemical Manufacturers Association on June 6, 1966, Mr. C. M. Brown, chairman of the board of the Allied Chemical Corp., identified what he considers these types of obstacles as follows:

Most foreign nations have carefully refined their complex systems of turnover and value-added taxes, of export rebates, or (sic) arbitrarily administered customs regulations,

of border taxes and transit fees. They have refined and polished them to the degree that their domestic industries can grow and prosper—in spite of American competition.

Most of the objections of Mr. Brown stem from the border tax—these alone would account for his references to turnover and value-added—or indirect—taxes, and export rebates.

With regard to methods of valuing imports used by trading nations, it should be remembered that the United States is one of the few countries—besides the Commonwealth countries—that use the f.o.b. or freight on board system, not the c.i.f. system for valuing imports.

The latter system is based on the so-called Brussels definition of value for customs purposes, which has become a widely accepted standard for the majority of most countries' customs administration. These countries, with or without justification, complain about U.S. nonconformity.

As I have said in the past, I am willing to discuss the faults of the United States if other nations are willing to equally discuss their own faults. One American virtue and European fault, is the problem of Government buying. Here American practice, though now somewhat inconsistent as among Government agencies, is completely in the open, conducted in accordance with published administrative regulations and open bidding. In many European countries and Japan, however, government buying is done secretly, with little opportunity for bidding that would include foreigners, and without publicly known ground rules.

What emerge then as nontariff matters of deep trade importance are border taxes and Government buying regulations. These should become major areas for negotiation and international action in the near future. I will discuss further here only border taxes, leaving Government buying to another paper.

#### BORDER TAXES IN THE KENNEDY ROUND AND IN FUTURE NEGOTIATIONS

In spite of the fact that the Kennedy round was the first international tariff and trade negotiation to include nontariff barriers, they were not its main emphasis; the border tax problem was perhaps beyond its scope from the outset. The reason is that the border tax and its corollary, the export rebate are only the outward manifestations of the indirect taxation systems employed in most European countries, and to a lesser extent, by the U.S. Federal and State Governments.

In the General Agreement on Tariffs and Trade, the border tax was accepted on ground of equity—it would have been inequitable, was the reasoning, to have allowed a foreign import to enter Holland let us say, without adding a certain margin to the cost of the import equal to the margin of the indirect—or "excise"—tax the domestic Dutch supplier had to pay on his product.

Similarly, the logic holds for exports, as follows: "Why should our Dutch exports to the outside world be outpriced because they are burdened with an added value or turnover tax?" The GATT answer was that an export rebate in this circumstance was legitimate.

It should be remembered that U.S. ex-



cise or indirect taxes, for example, excise taxes on tires and automobiles, are rebated for exports and added to the value of imports.

But what about the U.S. system of direct taxes? Should there not be a margin added to imports to account for the added cost represented by U.S. income taxes? The theory was that a direct tax does not get passed forward to the consumer as an indirect tax theoretically does. The theory in fact was that the manufacturer absorbed entirely the cost of the income tax and perhaps simply passed it back to the investor in the form of fewer profits. But, in fact, the system almost certainly works so that the costs of our direct taxes are passed forward also.

Thus, in practice, we may very well find that the indirect tax may not be passed forward to the consumer as relentlessly as was assumed when the border tax was legalized in GATT, and that the direct tax does get passed forward much more than was thought at the time.

#### BORDER TAX AND EXPORT REBATE ARE INTEGRAL PARTS OF NATIONAL TAXATION SYSTEMS

From this brief discussion of a very complex problem one fact should emerge very clearly: the "border tax" and the "export rebate" are not simply isolated practices to be removed by the stroke of a pen—they are integral parts of national taxation systems. It must therefore follow that "doing something" about the border tax is a big and very difficult undertaking, and that "doing something" may perhaps require change in European taxation systems, the GATT, and our own practices in the United States.

What should be clearest is that, given the labyrinthine technicalities of the Kennedy round even without the border tax problem being thrown in, the Kennedy round physically, logistically, was not a good place to deal with the big border tax problem.

But there is the suspicion, at least in regard to U.S. exports to the border tax countries, that the problem is mitigated for practical purposes. For example, there are those observers of American international commerce who believe that U.S. chemical companies consider the border tax problem in their pricing for export, and absorb the cost of the border tax by reductions in their sale price. One confidential study has shown that U.S. chemical companies on the whole price higher in the United States than in any external market. In direct contrast with the steel industry, the chemical industry prices incrementally in foreign markets, depending on the competitive conditions in each market. They do so, it seems, without offending their domestic U.S. buyers—one of the reasons the steel industry has traditionally given for not pricing incrementally abroad. And some observers think that in pricing for foreign markets one of the considerations is the element of tax that may be imposed at the foreign border.

But, what about the immediate trade effects of the border tax on our exports? This, it is claimed, hurts our exports now and will hurt them more in the future as the Common Market harmonizes its

domestic taxation systems along the lines of the French model and the border tax and export rebate both become 14.7 percent in 1968. For some EEC member countries this will be a substantial increase.

Germany has already begun moving toward this objective, and will receive an equivalent rebate on exports, competing with United States exports in third markets. These adjustments, however, it must not be forgotten, are to be accompanied by correspondent increases in the domestic taxes paid by German industry. Thus, according to the rationale of the border tax, competing imports for reasons of equity to German industry should be taxed comparably at the border. This example shows the complexity of the border tax system.

#### NULLIFICATION OF TARIFF CONCESSIONS

On its face the border tax is a serious problem—it certainly is serious when considering the competitive effects on U.S. exports to third markets. Some determined international action must be taken to get at the roots of the problem and arrive at some equitable determination of it. One such effort was the U.S. attempt to include in the final Kennedy round settlement a provision that when nontariff barriers nullify the effect of tariff concessions, grounds for international compensatory action is provided.

This provision would have reasserted the right of a GATT member to take steps under article 3(1), 3(2), and 2(1)(b) to be compensated for internal tax adjustments.

Until now the U.S. chemical industry has been able to export far more to the world than the U.S. imports from the world. But there is no reason why the industry should have to cope with a system that may be unfair and places on it an unfair competitive disadvantage, particularly in third markets. There would probably be less incremental pricing and therefore less danger of engaging in real, injurious dumping were the border tax-import rebate problem to be resolved.

#### NEED FOR IMMEDIATE ACTION ON THE BORDER TAX PROBLEM AFTER THE KENNEDY ROUND

The border tax problem will not just go away. Particularly now that tariffs will be reduced by stages to quite low levels as a result of the Kennedy round, the border tax will constitute an increased proportion of the "costs of entry" of U.S. exports to border tax countries' markets, even though finance costs are borne by European industries. Thus there is a need for immediate action on the part of the United States. This action should be both domestic and international. First, the U.S. special representative for trade negotiations should immediately institute studies in conjunction with industry by examining companies' records on export sales, that would show the exact commercial effect of the border tax system. At the same time, there should be an effort to determine the actual economic effects of the direct tax as opposed to the indirect tax on domestic producer and consumer.

Two international meetings this year

could be forums in which to address ourselves to these and other problems. One is a meeting now in tentative planning stages to examine into the application of countervailing duties by various GATT members. The second is the annual meeting of the Contracting Parties to the General Agreement on Tariffs and Trade, a meeting that will be held in the fall.

#### GATT MEETING OF COUNTERVAILING DUTIES SHOULD BE BROADENED

As part of the Kennedy round settlements the Nordic countries have secured from the United States and other participating countries a commitment in principle to meet in late 1967 to discuss the issue of countervailing duties. A countervailing duty, permitted by article IV of the GATT, is a duty levied by an importing country to protect itself against goods on which a bounty or a subsidy of some kind has been applied in the exporting country.

A countervailing duty is therefore a sanction against an unfair trade practice. Quotas, licenses, and embargoes are by far the most regressive of mechanisms to regulate trade. A countervailing duty, on the other hand, is one of the several means provided by GATT and accepted by international practice to take action against measures that damage trade. Another example is the right of a GATT member country to levy a compensatory duty against another country which takes action affecting the tariff on its exports.

A countervailing duty action by the U.S. Government can be taken under section 303 of the 1930 Tariff Act, which has its roots in a U.S. statute of 1898. Other nations also have countervailing duty provisions; in the case of the Common Market, article 96 of the Treaty of Rome provides for countervailing duties. The General Agreement on Tariffs and Trade, article IV, also provides a countervailing duty provision which states that countervailing duties should not be applied against an imported product unless the imports are causing injury to a domestic producer.

Because the U.S. countervailing duty provision predates the GATT, it does not contain such an injury requirement. There are those who believe that U.S. law should be amended to "conform" to GATT, and in fact an attempt was made to amend section 303 in the early 1950's, without success. The majority of other trading countries apply their countervailing duty laws and regulations to determine injury before assessing a countervailing duty. But this aspect of the problem requires further study.

Thus the nonconformity of U.S. law with GATT article IV has been of concern to some of our trading partners. Acting on this concern, the Nordic countries have obtained a tentative commitment from the United States in the context of the Kennedy round to have an international conference this year on the problem.

The United States should, of course, be willing to discuss its countervailing duty laws with other countries provided also that such countries are also willing to discuss aspects of their own laws that we

might find troublesome. We may even wish to argue at such an international meeting that the GATT provision requiring injury before assessing a countervailing duty is unrealistic and should itself be changed, rather than changing the U.S. countervailing duty provision to conform to other's practices. For there seems to be little reason why there should be a necessity for proof of injury from a plainly unfair practice like a subsidy. On the other hand, it is argued that, if there is no injury to a domestic industry, why should consumers not take advantage of the foreign country's subsidy? Still others argue that such an unfair trade practice should be a malpractice per se. This is a complex issue, but these are some of the considerations that must be looked into.

In any case, the United States should attempt to broaden any meeting this year on the subject of countervailing duties to include other problems, particularly border taxes.

#### MEETING OF GATT CONTRACTING PARTIES, 1967

The meeting in the fall of the contracting parties of the general agreement would provide the opportunity to discuss some of the most pressing concerns in the international trade field. This would include the entire area of nontariff barriers, including the problems of international taxation systems as they reflect on international trade, licenses, quotas, and differences in national systems for the valuation of imports. It should also include problems stemming from the differentials in national patent laws, the differences in national antitrust concepts, and other methods of business operation that pass under the term "restrictive business practices." In addition there is the area of competitive export promotion programs that might include subsidy but also would include Government promotion of very aggressive export sales techniques.

All of these problems can and must be handled in an international, multilateral forum. The results of their investigation and discussion in GATT should be to internationally harmonize national trade and business practices. The International Antidumping Code now drafted is an excellent precedent for such action.

Both the fall of 1967 meeting now planned to look into the specific matter of countervailing duties, and the much more comprehensive annual contracting parties meeting, are in their own ways appropriate to handle these problems. United States participation in these meetings should be directed to elevating the whole area of "other-than tariff" trade practices to the level of concentrated, purposeful discussion among the membership of the General Agreement, which now has 72 contracting parties—full members—four provisional members—Argentina, Iceland, Tunisia, United Arab Republic—three countries that participate under special arrangement—Cambodia and Poland—and eight other countries to whose territories the GATT has been applied and which now, as independent states, maintain a de facto application of the GATT pending final

decisions as to their future commercial policy.

The attention we have given in the past to negotiating tariffs should now be turned to these newer trade problems, including the border tax. All of these problems are too important to put aside. They are in need of study and also of international action to resolve. Economic change, domestic and international, proceeds too quickly to allow time for rest periods—trade policy cannot lag while trade problems await action.

#### PATENTS AND INTERNATIONAL TRADE

For the American chemical industry, where sizable sums are invested in research and development, patent protection of inventions is of great importance. A good patent system serves two important functions. It opens up inventions to the public as opposed to sealing them off as trade secrets, so providing for more widespread public use and further development of the patented invention, in exchange for giving the patentee an assured period of time in which to use—or license—the patented invention exclusively, thereby allowing him to recoup his research and development costs at a profit.

Though we are improving our already effective patent system, an important problem in its development is the international system for registering and protecting patents. With the growth of world commerce, investment, and business activity there has not been a concomitant growth of our ability to provide patent protection on a worldwide basis.

The United States and other countries have already taken steps toward trying to create an international patent system, and these efforts must be continued. One area that might be developed both here and abroad is in the concept of design copyrights and patents. United States patent and copyright law and very few if any foreign laws do not adequately protect from foreign copying the designs of domestic industries heavily involved in new design. In the United States this is of particular concern to the textile and apparel industries. This is an area to which I hope it will be possible to give much fuller attention, with a possible view also to internationally coordinating countries' approaches to design protection.

#### CONCLUSION

In this report on a key aspect of the Kennedy round I have attempted to explore the historic and economic background of the ASP system itself, its workings as a method of customs valuation, the reasons of those who wish to maintain the systems, the background of the Kennedy round negotiations and some of the attitudes that shaped the European position on the removal of ASP, and the nature of the final packages themselves.

Throughout, I have tried to discuss this difficult and complex issue in the context of the totality of world trade and investment in chemicals, and in terms of a dynamic, innovative, and growing international industry. Finally, I have underscored the need for new approaches to deal effectively with the "other-than-tariff" problems in international trade,

problems that have assumed a new prominence in international trade negotiations.

To implement the second, ASP package resulting from the Kennedy round chemicals sector negotiations, Congress will be asked to study and decide the changes negotiated. This public procedure promises that as much, if not more public attention will be given to the chemicals sector and the American selling price system of customs valuation after the formal conclusion of the Kennedy round on June 30, 1967, as during it. During the processes of congressional study and deliberation there will be ample opportunity to examine all of the above matters in full.

#### OUR AMERICAN HERITAGE

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, Independence Day was commemorated this year with increased spirit in thousands of communities throughout the country as citizens recognized the significance of their American heritage and the need to reaffirm their support of our national beliefs. Three independent publications serving the south suburban area of Cook County, Ill., produced impressive editorial comments during the Fourth of July period and I submit them for the Record at this point as sound expressions of grassroots American opinion.

[From the Suburban Life, June 29, 1967]

#### HAIL, COLUMBIA

Strike up the band! Wave the flag! Show your pride in the United States!

Corney? Yes, in some quarters it is considered that. But we don't buy such criticism.

Patriotism is something that is looked upon today in many quarters as "square." If it is square tell it to those guys who are slugging it out in Vietnam or those who were lucky enough to make it back from Korea, World War II or those who mucked their way through the mud and trenches of World War I. And then duck.

Tuesday we will observe the 191st anniversary of the Declaration of Independence, a document drawn up by a handful of British colonists who knew full well they were standing in the shadow of the gallows.

If they could stand proud and unbending, so can we.

The Fourth of July is the most celebrated holiday of this nation. It's too bad that it isn't celebrated as it once was. Several communities in this area have scheduled programs, but there are many more that haven't.

It's also too bad that many youngsters and some adults will suffer injuries because of illegal fireworks and that others will die or be injured in automobile accidents.

This is the most productive, the wealthiest, the strongest nation on the face of the earth. Everyone has the right of free speech, to go where he chooses when he chooses. There are no frontier barriers or armed guards to restrict our movements.

It's true we have our racial and religious bigots, but they will disappear in time with the proper moral and legal outlook which will assure the freedom of all, regardless of



race, creed or color. Laws are not the answer; the acceptance is.

It is to our credit that we realize our shortcomings and that we are willing to do something about them, even though the slow processes are not to the liking of those in opposition.

Despite our failures, we still make up the best nation in the world. And we should be proud of it and proclaim it more than we do.

Reflect for a moment on Belleau Woods, the Argonne, Pearl Harbor, the Hertgen Forest, the Choson Reservoir and the steam-jungles of Laos and Vietnam.

And then thank God for the men who bled and died that we may live in the greatest country in the world.

Stand up and be counted on Tuesday. Fly the flag, stamp your feet to the tunes of a marching band and proclaim to the rest of the world that we're Americans and proud of it.

If that be corny, make the most of it.

[From the Tribune, July 2, 1967]

#### DECLARATION SIGNERS—TRULY "INDEPENDENTS"

Lately it seems we in America are celebrating the Fourth of July instead of Independence Day.

Lately it has been fashionable to deride "flag wavers" as right-wing super-patriots and if you get a lump in your throat when the flag goes by, you're a square.

Patriots today aren't the same as patriots of 1776.

Ben Franklin, with words like "a penny saved is a penny earned" would have no place in government because he subscribed to the wrong theory about money management.

Patrick Henry saying "Give me liberty or give me death" would be met by crowds of university students shouting "Give him death!"

George Washington, forsaking a comfortable plantation life to spend a grueling winter at Valley Forge with his rag-tag army would have been replaced by a supreme commander who would tell him that diplomatic warfare is preferred to victory and that the revolution could be won by "reasoning together" with Old King George.

Paul Revere, merely a silversmith and not a university egghead, would have had to stay at his forge. He didn't have security clearance to go galloping around the countryside, releasing classified information.

Thomas Jefferson, obviously a member of the opposition party of the future, was getting set to run for office. What right did he have to write, "these truths we hold to be self-evident"? What did he know about "Life, Liberty and the Pursuit of Happiness"?

Lafayette represented a foreign power. After all, neither the Colonies nor Britain then was sending foreign aid to France. If we had been, of course, France probably would have taken Britain's side and the Declaration of Independence would have become a design for wallpaper.

And, had there been a United Nations, the American forces would probably have been censured, all 13 colonies would have been turned back to England, and the security council would have demanded that damages be paid for the Boston Tea Party.

Washington, Jefferson, Franklin, Revere, Henry and Lafayette were men of their times, not ours. They wouldn't stand a chance today, because they were squares and flag wavers.

It's a good thing they were around in 1776.

[From the Sun-Standard, June 29, 1967]

#### OLD GLORY HAS A PROUD HERITAGE

Independence Day is a day for waving Old Glory—a day to hold the stars and stripes high, a day to salute our nation's flag. How

did our national emblem come into being? Did Betsy Ross make the first American flag? Those searching our history can find no factual foundation for this traditional story.

The American Flag consists of thirteen horizontal stripes, seven red alternating with six white, and in the upper corner near the staff, a rectangular field of blue containing fifty five-pointed white stars. The stripes symbolize the thirteen colonies which originally constituted the United States of America; the stars represent the States of the Union. In the language of the Continental Congress which defined the symbolic meaning of the colors red, white, and blue as used in the flag, "White signifies Purity and Innocence; Red, Hardiness and Valor; Blue signifies Vigilance, Perseverance and Justice."

The first national standard of the new colonies, designed and adopted even before the United States itself was formed, was known as the Grand Union Flag. It was displayed by General George Washington on Prospect Hill, outside of Boston on Jan. 1, 1776, and was composed of thirteen alternate red and white stripes with the British Union Jack in the upper left corner. Washington's troops carried this flag when they drove the British from Boston.

The Declaration of Independence was signed under this flag, which remained our standard until June 14, 1777, when the Continental Congress adopted the design of the Stars and Stripes. At that meeting it was resolved that, "the flag of the United States shall be thirteen stripes, alternate red and white, with a union of thirteen stars of white on a blue field, representing a new constellation." Conclusive proof exists to support the fact that one Francis Hopkinson, a signer of the Declaration of Independence designed this flag not Betsy Ross. When it was first flown has not been determined.

The Stars and Stripes remained unchanged until Jan. 13, 1794, when Congress voted for two stripes and two stars, one each for Vermont and Kentucky. As new States joined the Union they demanded representation in the stars and stripes of the flag. This practice was followed until April 18, 1818, when with fifteen stripes and fifteen stars, Congress voted that the flag should contain thirteen alternate red and white stripes representing the original thirteen states, and that a star for each new state should be added on July 4, following its admission to the Union. The last two stars to be added were for Alaska and Hawaii, which achieved statehood in 1959.

In 1912 President William H. Taft issued the first executive order of his kind, which dealt with the proportions and details of the flag since much confusion had arisen over the design, size, form, color, arrangement of the stars and parallelism of the stripes.

The overall width and length of the United States flag, known technically as the hoist and fly respectively, is fixed in the ratio of 1:1.9. The thirteen stripes were established as being of equal width. The hoist of the blue field containing the stars was fixed at seven thirteenths of the overall hoist, that is, as extending from the top of the flag to the bottom of the seventh stripe; and the fly of the blue field was fixed at a tiny fraction over three fourths of the overall hoist. The diameter of each star was established as a minute fraction under one sixteenth of the overall hoist.

The flag should be displayed on all days when the weather permits, especially on New Year's Day, January 1; Inauguration Day, January 20; Lincoln's Birthday, February 12; Washington's Birthday, February 22; Easter Sunday (variable); Mother's Day, second Sunday in May; Armed Forces Day, third Saturday in May; Memorial Day, (half staff until noon), May 30; Flag Day, June 14; In-

dependence Day, July 4; Labor Day, first Monday in Sept.; Constitution Day, Sept. 17; Columbus Day, Oct. 12; Veteran's Day, Nov. 11; Thanksgiving Day, fourth Thursday in Nov.; Christmas Day, Dec. 25; and such other days as may be proclaimed by the President; the birthdays of States (dates of admission); and on State holidays.

Mr. Speaker, at a time when there is a deliberate assault on the great principles of our country it is especially stimulating to note the true spirit exhibited at the grassroots level by editorials such as these.

#### COMPARISON BETWEEN THE NATIONAL HOME OWNERSHIP FOUNDATION ACT AND THE 221(h) PROGRAM

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WIDNALL. Mr. Speaker, more than 150 Members of both Houses of the Congress, including members from both parties, have joined Senator CHARLES H. PERCY in cosponsoring the National Home Ownership Foundation Act. Critics of our proposal, while recognizing the need to increase homeownership possibilities for our lower income citizens, have contended that there is nothing in the National Home Ownership Foundation bill that cannot be done under existing law, particularly the 221(h) program enacted last year. This latter program has been described by the President in his message to Congress on poverty as a "pilot program." As recently as June 10, 1967, HUD Secretary Robert Weaver referred to it as "a demonstration and experimental program." The first obvious difference, therefore, is in the attitudes toward the potential scope of homeownership among lower income Americans that the two approaches exhibit.

A more detailed comparison between National Home Ownership Foundation and the section 221(h) program follows in the accompanying charts. In general, the following should be noted:

First, the existing program, nearly a year old without any funds disbursed, relies on the Government to be the regulator of lending and construction activity, with the private sector only a participant. National Home Ownership Foundation sees Government as the guarantor of a private institution, with the private sector as the major initiator and developer.

Second, the present law makes use of the Federal Housing Administration in the Department of Housing and Urban Development. Both FHA and HUD have undistinguished bureaucratic reputations in the area of aiding lower income housing, and both are dedicated to the rental approach. National Home Ownership Foundation avoids this ossified bureaucracy and relies on private enterprise efficiency and expertise.

Third, the existing law cannot func-

tion with its below-market-interest rate mortgages without the guarantee that Treasury funds will be available to the Federal National Mortgage Association to purchase the mortgages. That is the only way it can keep its interest charge low to the potential homebuyer. National Home Ownership Foundation, however, relies on a direct interest subsidy by the Treasury on a market interest rate mortgage. There is also no recoverability feature in present law for the subsidy involved in below-market-interest rate mortgage under section 221(h) under National Home Ownership Foundation, as the income of the homebuyer reaches levels where he can pay a more economic mortgage payment and interest rate, the subsidy is recovered.

Most importantly, for the same Federal budget impact, the National Home Ownership Foundation subsidy approach

can produce 33 times as many housing units. Given present budget difficulties, there is no hope for any expansion of the present pilot program under 221(h) to a significant level of units. And given the tremendous leverage per Federal dollar that is possible under National Home Ownership Foundation approach, any significant expansion of the existing pilot program would be uneconomic, in comparison, under any budget conditions.

Fourth, the National Home Ownership Foundation program can reach families at lower income levels than under section 221(h). Using approved FHA rules, for example, under the 221(h) program's maximum terms, a \$4,100 Washington, D.C., family of five could afford a \$13,895 mortgage loan. The same loan could be assumed, under National Home Ownership Foundation, by a similar family with an income of only \$2,820 annually.

Finally, a key to acceptance of any new program in the rehabilitation and construction fields is the expansion of job opportunities. Only a program of adequate size and duration can actually place additional workers on the employment rolls. The same is true of returns for private investment and profitably to private enterprise.

The existing Federal program under 221(h) is a \$20 million pilot program which can produce only 2,000 housing units scattered across the country, using an average unit cost of \$10,000. The National Home Ownership Foundation program, utilizing \$2 billion of private investment capital has a potential for broadscale projects involving 200,000 such units as a minimum goal.

I include at this point a detailed analysis of the two programs:

#### COMPARISON BETWEEN 221(h) AND NATIONAL HOME OWNERSHIP FOUNDATION

	SECTION 221(h)	NATIONAL HOME OWNERSHIP FOUNDATION
1. Philosophy of Government.	Government as regulator of lending activity and construction; private sector as participant only.	Government as guarantor of private institution; private sector as major initiator and developer.
2. Organization and control.	FHA program, under HUD. Non-profit organization at neighborhood level.	No FHA, HUD control, private non-profit national corporation chartered by Congress. Neighborhood non-profit corporations, co-ops, limited dividend corporations.
3. Interest rate on mortgage.	3 per cent, same as 221(d) (3) below market rate.	Market interest rate.
4. Interest rate to purchaser of equity ownership.	3 per cent.	Could range from market interest rate to substantially lower figure as determined by formula in law, and allocated by Foundation (at present as low as 2 1/4 per cent). Conventional secondary mortgage market; resale possible without dependence on FNMA.
5. Resale of mortgage in secondary mortgage market.	No resale. Below-market-rate interest required purchase by FNMA in its special assistance operations.	Sale of \$2 billion in guaranteed bonds at market rates. Private capital.
6. Source of mortgage funds.	Dependent on FNMA willingness to purchase any mortgage made under program. Otherwise private lending institutions will not lend with below market rate.	Where necessary, difference between interest rate paid to mortgage holder by home buyer and rate due holder from mortgage is met by Treasury. \$10 million first year; \$30 million second year; to \$60 million maximum authorization annually, third year.
7. Cost to taxpayers.	Money or FNMA to buy 3 per cent mortgages must be borrowed by Treasury at higher market rates. Difference is subsidy. If FNMA then pools mortgages and sells participation certificates in pool, the difference between the 3 per cent mortgage return to FNMA and market rate on the PC must be made up by Treasury subsidy.	Interest subsidy paid back by home buyer when his income reaches moderate income levels, or when he sells equity at taxable profit.
8. Recoverability of subsidy.	None.	Supporting technical, planning, job training, budget counseling, etc. services required in law.
9. Supporting services to local non-profit groups and to the prospective home buyer.	None provided in law. Requirements added in Regulations.	First chance for homes and employment opportunities must be for neighborhood residents. Local non-profit corporation, cooperative, etc., must have neighborhood involvement.
10. Neighborhood involvement.	Local non-profit corporation may be neighborhood oriented, but nothing required in law.	Allows for "sweat equity" labor to cut down on cost of owning home to borrower in form of larger downpayment. Downpayment or equivalent to be set by Foundation.
11. "Sweat equity" and downpayment.	Provides for volunteer work by potential home owner with value of labor reflected in lower mortgage figure for unit. This does not take place of minimum FHA downpayment of \$200. Units can be rented with credit towards downpayment on rent with option to purchase plan.	Mortgage money available to anyone unable to afford and obtain conventional financing who shows capability of becoming a home owner. Would cover both public housing income levels and level immediately above that level where shortage of housing and mortgage funds also exists.
12. Income levels served.	Limited to those who can be served by rent supplement program, which in turn is defined as public level incomes.	Includes single family detached semi-detached row housing; also multi-family co-operatives and condominiums in recognition of core city type of housing supply.
13. Type of housing assisted.	Limited to single family detached, semi-detached or row housing.	Applies to both rehabilitated and new construction housing.
14. Rehabilitation and new construction.	Limited to rehabilitation.	



15. Tie in with local government.

No direct tie-in with local government required in law.

Requires consultation with Federal, state and local public agencies; requires the Foundation to use existing public agency programs as much as possible; coadjutant (shared risk) loans with public agencies; "local non-profit housing association" defined to include public housing.

# AMEND NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES ACT OF 1965

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. REID] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. REID of New York. Mr. Speaker, I am happy to be able to join with several colleagues in introducing today legislation to amend the National Foundation on the Arts and Humanities Act of 1965.

The amendments proposed, while generally of a technical nature, will make needed changes in the scope of the Foundation's endeavors and the procedures under which it operates.

I believe the Foundation has worked creatively in the State of New York and throughout the Nation to support and encourage artists, authors, playwrights, and the members of the dance.

In addition to grants to a number of talented individual New Yorkers in several fields, national organizations based in New York City have also received assistance from the National Endowment for the Arts. For example, the Academy of American Poets received a matching grant to launch a lecture series entitled "Dialogs on the Art of Poetry," for high school teachers.

The American Lyric Theater Workshop received a grant to create a special theater laboratory for professional actors, writers, musicians, and dancers, under the direction of Jerome Robbins. The Educational Broadcasting Corp. received a matching grant under a program to enable educational stations throughout the country to provide additional programming in various art fields. Other grants indicative of the diversity and creativity of the Foundation's endeavors went to the American Playwright Theater, the New York City Opera Co., the New York Shakespeare Festival, and the New York State Council on the Arts—the first State arts council.

The National Endowment for the Humanities has supported as well numerous individual and institutional projects with financial assistance for research and publications, educational, and special projects, and fellowships and stipends in many areas of intellectual and creative endeavor.

This range of work gives earnest of our concern at the national level for the arts, and we should, in my judgment, continue to fully support the efforts of the Foundation.

To this end, the amendments proposed in this legislation will make important changes in the procedures of the Founda-

tion while continuing that artistic freedom and independence from Government control or direction that is vital for full and free development of creative endeavors. I think that the Congress must take especial care that, whatever the nature of the amendments ultimately adopted, we do not attempt to legislate standards for projects supported by the Foundation. The role of the critic and the judge should be left to Roger Stevens and Dr. Barnaby Keeney, and to their distinguished councils.

Five significant amendments are contemplated in this legislation. First, the definition of the term "workshop" in section 3(f) of the act would be amended to include workshops in the humanities as well as those in the arts.

Second, changes in sections 5(c) and 5(f) of the act would permit the National Endowment for the Arts to enter into contracts as well as award grants. Further, the endowment could, under this amendment, provide assistance to a group for a survey in the arts without requiring the group to match the Federal contribution. This change could be particularly valuable for new arts organizations which do not yet have the facilities or personnel for matching fund solicitation.

Third, section 5(h)(5) would be amended to permit the National Endowment for the Arts to use any amounts remaining after grants are made to the States for further program activities. It is contemplated that such funds could be used to make grants to groups within States or to support regional activities among several States.

Fourth, changes are proposed in the duties of the National Council on the Arts and the National Council on the Humanities. Under present law, each council must make a recommendation on every application submitted to the Endowment before the Chairman may approve or disapprove the application. This procedure, given the large volume of applications and the relative infrequency of Council meetings, is not in the best interest of efficient operation. Thus, it is suggested that a Council recommendation not be required where the Chairman intends to disapprove an application and that each Council be authorized to waive the application review requirement in favor of the Endowment Chairman concerned under such circumstances and with such restrictions as the Council may choose to include.

Fifth, amendments are suggested to permit more discretion with respect to the matching of restricted gifts with funds provided under section 11(b). At present, only unrestricted gifts may be matched, a requirement which has curtailed the opportunity for obtaining gifts.

Finally, open-ended authorizations are recommended, beginning in fiscal year 1969, in order to accommodate the in-

creasing number of applications. Open-ended authorizations will also permit more flexibility in allotting funds to the different categories of assistance, as demand and budgetary considerations will allow.

## RESPONSIBLE DISSENT OR CALCULATED TREASON

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the Honorable EDWIN E. WILLIS, chairman of the House Committee on Un-American Activities, has compiled a valuable, short, foreword to the committee's annual report for 1966, which points out the damage that is being done to our Nation's efforts in Vietnam by antiwar protestors who have fallen prey to the Communist's "big lie."

There is no doubt that many of the protests against the war are inspired, organized, led, and promoted by Communists in the United States. These facts were well publicized in the committee's recent Vietnam Week report. But little attention is given to the effects these actions have upon Communists in Vietnam and those outside Vietnam who are the suppliers of the war.

Chairman WILLIS points out a statement by Gen. William Westmoreland which shows the significant achievements of antiwar protestors.

Mr. WILLIS states:

General Westmoreland had no doubt about the ability of the United States to defeat its enemy on the military front. His only real concern was the enemy attack on his rear—a Communist victory on the political, propaganda, and psychological warfare fronts, particularly in the United States, which could rob this country of victory even though it won every battle in Vietnam.

This statement of General Westmoreland's beliefs followed from his hesitation to find North Vietnamese General Giap wrong on two of seven reasons why the Communists would win the war. These were, as stated in the foreword:

Giap's belief that the Communists would win because of increased pressure on the United States from other nations and because "pressure against the war is growing in the United States." The latter, General Westmoreland said, is "the central consideration."

It would indeed be ironic if those who profess so vehemently a desire for an end to the war, regardless of the terms or losses to the free world, would actually be prolonging this conflict by giving the Communists a hope against all hope.

This, however, may be the case, as General Westmoreland's statements tend to indicate. Add to this a statement, reported in the New York Times of June 19, 1967, of Gen. Lewis W. Walt:

General Walt . . . said today that the North Vietnamese believed that if they held out long enough and caused enough American casualties, "the people here in the states will give up and pull out."

General Walt said that he had found out, from talking with prisoners and defectors, why the Vietcong and the North Vietnamese kept fighting in spite of heavy military losses. "They realize that they cannot win this war militarily, but they believe they can win it politically and psychologically, back here in the United States," the general said.

And if these sources are insufficient, the North Vietnamese themselves print glowing reports of antiwar activities in the United States.

Vietnam Courier, which calls itself an information weekly, and lists as its address, 46 Tran Hung Cao Street, Hanoi, carried in the April 10 edition a long article entitled "American People's Growing Opposition to L.B.J.'s Vietnam War." The article goes on for many column inches citing the actions of draft card burners, the antiwar activities of intellectuals, student groups and so forth, including, National Coordinating Committee to End the War in Vietnam, Youth Against War and Fascism, Students for a Democratic Society, Student Nonviolent Coordinating Committee, Du Bois Clubs, Robert Lowell, Staughton Lynd, M. S. Aronson, the Mississippi Freedom Democratic Party, Arthur Miller, and other groups or persons or movements which are, knowingly or unknowingly, aiding the Communist position.

The statement of the gentleman from Louisiana [Mr. WILLIS] sets the actions of these groups and persons in detailed relief and provides yet another call for all Americans to assume the responsibility of searching out the truth about anti-Vietnam stands. I include it in the RECORD at this point for the use of others who might not have seen it:

#### FOREWORD

The Chinese Communist "Song of the Guerrillas" was also known by a title that sounds ludicrous to the average American, "Go to the Rear of the Enemy and Give Him a Kick in the Pants."

The message and this alternate title of the "Song of the Guerrillas" illustrate the strategy the Communists are using against the United States today, the strategy they always use when engaged in armed conflict with any enemy.

Communists do not fight purely military engagements. They believe in, and practice, the concept of total war. They fight not only on the battlefields but on all fronts. They use psychological and political means, propaganda, subversion, economics, the arts—every conceivable weapon—to attack, undermine, and weaken their military opponent from the rear.

Moscow, Peking, and Hanoi have a direct hand in the war the United States is fighting against the forces of international communism in Vietnam today. They are openly providing military equipment, munitions and other forms of material assistance to the Viet Cong.

This direct aid from Hanoi and the two most powerful Communist nations on earth, however, is not the limit of outside Commu-

nist participation in the war in South Vietnam. Communist nations and organizations which are not sending direct material assistance to the Viet Cong, as Moscow, Hanoi, and Peking are doing, are giving aid on the important nonmilitary fronts mentioned above. They are doing this by waging intense political and psychological warfare against the United States and in behalf of the Viet Cong. The effectiveness of the warfare they have been conducting has been demonstrated on numerous occasions during the last few years by the hostile demonstrations that have greeted top officials of the United States when they have visited foreign countries.

Addressing a White House luncheon on April 28, 1967, General Westmoreland, commander of our military forces in Vietnam, revealed that a year earlier General Giap, the military leader of North Vietnam, had listed seven reasons why he believed the Communists would eventually win the war in Vietnam. General Westmoreland added that he thought Giap's reasons comprised "a very intelligent assessment" of U.S. problems in Vietnam.

General Westmoreland then cited facts to prove that General Giap was wrong on five of his seven reasons. He hesitated to find the Communist military leader in error on only two points—Giap's belief that the Communists would win because of increased pressure on the United States from other nations and because "pressure against the war is growing in the United States." The latter, General Westmoreland said, is "the central consideration."

General Westmoreland, in other words, had no doubt about the ability of the United States to defeat its enemy on the military front. His only real concern was the enemy attack on his rear—a Communist victory on the political, propaganda, and psychological warfare fronts, particularly in the United States, which could rob this country of victory even though it won every battle in Vietnam.

There is little reason to doubt the validity of General Westmoreland's judgment and concern. The Communists have made it clear that, in their efforts to win in Vietnam, they are pinning their hopes largely on the nonmilitary phases of the struggle.

What is the Communist aim as regards the war in Vietnam and, more importantly, how do they hope to achieve their aim?

The New Draft Program of the U.S. Communist Party (1966) states: "The supreme challenge of the moment . . . is to halt U.S. aggression, to end U.S. military occupation of South Vietnam . . ."

U.S. Communist Party leader Guss Hall told the delegates to the 18th National Convention of the party, held in New York City in June 1966: "We cannot rest until the last piece of U.S. military equipment, the last warship, the last plane, the last unit of military personnel has been removed from the soil of Vietnam. . . ."

These two statements echo the world Communist line. Communists everywhere have been saying the same thing for several years.

How do the Communists hope to achieve their above-quoted aim?

A recent issue of the Communist Party's official newspaper, *The Worker*, spelled out their strategy for victory. Referring to the war in Vietnam, it said:

"The war will come to an end when it becomes untenable for the [U.S.] ruling class. This will occur when inability to win the war on the battlefield is coupled with such mass opposition and resistance at home that the only alternative is a reversal of course. . . ."

[Emphasis added.] It is significant that the Communist Party did not claim in this statement that North Vietnam and the Viet Cong can actually inflict a military defeat on the United States. On the contrary, it emphasized that the

nonmilitary phase of the struggle, particularly as it is conducted within the United States, is the key to Communist victory. In doing so, it spotlighted the vital role the U.S. Communist Party has to play in the Vietnam war.

How well are the U.S. Communists carrying out their assignment of undermining our military forces in Vietnam by attacking them from the rear—on the homefront?

Henry Winston, a longtime party leader, led the delegation of U.S. Communist Party members who attended the 23d Congress of the Soviet Communist Party in Moscow last year. In his address to the congress, Winston assured the assembled Soviet Reds that "the Communist Party of the USA, gives its support to, and participates in, the building of the broadest unity of all strata to stop the war in Vietnam. . . ."

In his message to the 23d Soviet Party Congress, U.S. party boss Gus Hall said that in the United States various "forms of struggle" are "challenging U.S. aggression in Vietnam." Spelling out the forms of struggle, he listed the following—"parades, demonstrations, mass meetings, picket lines, delegations, petitions, public hearings, polls, teach-ins, read-ins, television, radio, and many others. . . ."

Never before while the United States has been engaged in war have there been so many and such varied antiwar demonstrations and protests within its borders. It would be untrue to say that each and every one of these demonstrations has been organized by Communists. Despite this, it is a fact that the Communist Party, U.S.A., and other Communist organizations and their adherents have been importantly involved in the great majority of them and have been the originating and guiding force in the major demonstrations.

Clearly, the Communists are doing their sabotage job well. Moreover, the recent calculated and concentrated Communist effort to tie the war in Vietnam to the inflammatory civil rights issue is reason to believe that the Communists now aim to promote other than peaceful demonstrations against the war. It is evidence that they are trying to put into effect a defeat-the-U.S. strategy outlined in the past by Gus Hall.

Writing in an international Communist journal about 7 years ago, Hall rejoiced in the fact that (in the Communist view) the balance of world power had been so altered that the Communists could now defeat the United States without a world war. He pointed out, however, that this "would not happen automatically" and though the defeat of the United States did not require a world war, it could not be achieved "without mass actions."

What did he mean by this?

To illustrate what he meant, he referred to developments in South Korea, Cuba, Turkey, and the Congo where incidents characterized by mob violence or armed revolutionary uprising had taken place. He also stated that, in considering the possibilities of bringing about the downfall of the United States, the recent "heroic struggle" against U.S. imperialism in Japan was "a good example to study." This was a direct reference to the massive demonstrations, characterized by widespread violence, which had toppled the regime of pro-U.S. Premier Kishi and had forced President Eisenhower to call off his visit to Japan planned for June 1960.

The Communists in the United States alone do not have the numbers to constitute "such mass opposition and resistance" that our Government will be forced to reverse its Vietnam policy. To succeed in creating the impression of such opposition, therefore, they must get others to do their work for them. If they can also incite them to violence, so much the better.

How are they going about doing this?



By large-scale, organized dissemination of lies, falsehoods, half-truths, and distortions about the war in Vietnam; about why the United States is fighting there, how it is fighting there, and its aim in fighting there.

They are counting on winning the required numbers of aroused followers, and thus their homefront war against this country, by massive use of the weapon totalitarianism have traditionally used to achieve their ends—the big lie technique, the constant repetition of falsehoods until they finally gain credence.

Numerous Communist organizations in this country have distributed millions of words completely distorting the reality of the war in Vietnam and all matters related to it.

By this massive propaganda attack on the homefront—the rear of our military forces in Vietnam—the Communists have made every American citizen a combatant in the war. They have imposed on each of us the same obligation to fight the enemies of our country as our troops in Vietnam have. They have also made it clear that the war is being fought not only in Vietnam, but that enemy forces are operating in this country as well.

Widespread dissemination of the truth about Vietnam, combined with revelation of the lies the Communists are telling about the war and why they are telling them, is the only thing that can defeat the U.S. Communists' effort to confirm General Giap's belief that fifth column operations here at home can ultimately defeat our forces in Vietnam.

Over 10,000 men have already given their lives for the United States in Vietnam. The least we on the homefront can do is to so thoroughly inform ourselves about the facts and issues that not only will we not be taken in by the Communist lies and distortions, but that we will be able to keep others from falling for them as well. This requires some effort and sacrifice, but very little compared to what is required of those in our military services and certainly no more than every citizen owes his country.

We cannot afford to underestimate the importance of the domestic front in this war and the kind of enemy we face on it. Propaganda warfare has been a vital factor in some past Communist victories. As regards the enemy we face, his nature was spelled out for us by the Communist playwright Berthold Brecht when, in his play, "Die Massnahme," he pictured the ideal Communist in the following words:

"Who fights for Communism must be able to fight and not to fight, to say the truth and not to say the truth, to render and to deny service, to keep a promise and to break a promise, to go into danger and to avoid danger, to be known and to be unknown. Who fights for Communism has of all the virtues only one: that he fights for Communism."

The Communists in the United States, attacking the rear of our Armed Forces, are fighting as dirty and unprincipled a war on the propaganda front as the Viet Cong are on the military front. In fighting them on the homefront, however, we, as Americans, can no more adopt the completely unprincipled practices of the "ideal" Communist as spelled out by Brecht than our military forces in Vietnam can in fighting on the military front.

As Americans, however, we are challenged to demonstrate to the world that both the American ideal and the ideal American are far superior to their Communist counterparts and that they will prevail here as well as in Vietnam.

We are also challenged to distinguish sharply between honest and responsible dissent and calculated treason which masquerades as dissent—so that we may protect the former and destroy the latter.

Carefully contrived falsehoods, spread by plan from one end of the country to the other on a massive scale in a concerted effort to injure the United States and promote

hostile foreign powers, is not dissent. It is treasonous conspiracy.

Further, those who exercise their constitutionally protected right of dissent must face the fact that it does not include any right to spread Communist-concocted lies about this country or to collaborate with the Communist enemies of the United States, domestic or foreign. To do this is a stab in the back, to betray here at home, all those who are fighting—and those who have died—on the military front in Vietnam.

EDWIN E. WILLIS,  
Chairman.

#### CRAMER AMENDMENT ESSENTIAL TO PREVENT FEDERAL CONTROL OF DEVELOPMENT AND PLANNING IN METROPOLITAN AREAS AND TO STOP FORCED METRO GOVERNMENT

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CRAMER. Mr. Speaker, my colleagues are well informed as to my efforts to prevent the implementation of section 204 of last year's Demonstration Cities Act, which would withhold Federal funds in numerous grant-in-aid programs in order to force metro government through federally dictated regional planning agencies. As you know, the House adopted my amendment to the independent offices-HUD appropriations bill specifically denying the use of funds for the administration and implementation of this section.

This appropriations bill, carrying my amendment, is now before the Senate subcommittee and I would urge my colleagues in the House to join me in bringing to the Senators' attention the importance of this amendment and the seriousness of the consequences to all major cities and metropolitan areas throughout the United States should the Senate fail to join the House in approving my amendment.

I submit herewith an article on this subject which appeared in the May 12 Pittsfield, Mass., paper. This article points up further the little publicized effect implementation of section 204 will have and I hope it will assist in focusing attention both on the scope and impact of the section, as well as in reemphasizing the urgent need for enactment of my amendment to the appropriations bill to prevent the implementation of this program at this time. I hope that by preventing the implementation of section 204, the way will be paved for eventual repeal of the authorizing legislation.

The following article is submitted in the hope it will add to my colleagues' understanding of this situation and I therefore respectfully submit it for their interest and information.

#### REGIONAL PLANNING UNITS DESIGNATED TO REVIEW FEDERAL AID APPLICATIONS (By Grier Horner)

Starting in July Pittsfield and all other U.S. cities of more than 50,000 may be forced to submit their applications for most

types of federal aid to regional planning agencies for review.

But enforcing the little-publicized July 1 deadline might jeopardize funding for the many cities where regional planning boards have not been formed. Therefore, the Johnson administration is expected to propose a one-year extension of the effective date.

Pittsfield and almost every other city in the New York-New England region, however, should be safe even if the extension isn't granted, according to a highly placed official in the federal Department of Housing and Urban Development (HUD).

Only one city in that Northeastern region, the official said, is without an area-wide planning agency.

#### BCPC IN LINE

The agency that will presumably be approved to review Pittsfield aid applications is the Berkshire County Planning Commission (BCPC).

If it is designated, it will not have an actual veto over Pittsfield's plans. However, it will have the power to recommend whether or not the various federal agencies should grant aid to most local projects.

Among the many types of applications that would have to be submitted to the BCPC are those for open space land programs, water and sewer facilities, mass transportation, river basin pollution control, highway landscaping, highway development, airport planning and construction, soil and water conservation loans, and construction of hospitals, mental health centers and libraries.

The point of channeling the applications through an areawide planning agency is to coordinate a city's planning with that of its surrounding communities. The section (204) was inserted in the administration's 1966 model cities measure by its floor manager, Sen. Edmund S. Muskie, D-Maine.

A Republican staff member of the House Banking and Currency committee, which has jurisdiction over urban affairs, told The Eagle the section has "set a monster in motion."

"I don't think too many states or localities are aware of its existence," he said.

Some Republicans feel the provision is changing the course of local government by stripping cities of control over their destiny.

A Congressional Quarterly fact sheet says the section's provisions have caused "a severe legal tangle." According to the publication one source of confusion is that the section "does not stipulate what steps will be taken if local officials bypass the review." Another problem it cites is administrative slowness by the Budget Bureau in implementing the section.

If an effort is made to extend the deadline to July 1, 1968 it will take the form of an amendment to the housing bill still in the House Banking and Currency Committee.

A Democratic staff member of that committee said such a move would be made if it is determined the July 1 deadline will create trouble for too many cities.

#### A JOURNALIST LOOKS AT VIETNAM

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. DEVINE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DEVINE. Mr. Speaker, a highly respected journalist, businessman, and community leader, A. Monroe Court-right, visited Vietnam, and wrote an outstanding article which I commend to the

attention of the Members of Congress and the public generally:

**A JOURNALIST LOOKS AT VIETNAM—FIRST HAND IMPRESSIONS ON A TRIP TO THE FAR EAST**

(By A. Monroe Courtwright)

A. Monroe Courtwright, 40, publisher of the Westerville, Ohio, Public Opinion and a member of the Air Force for four years during World War II, was one of a group of editors and publishers who traveled to the Orient in the spring to "examine the military position of the U.S. in the Far East." The trip was made with the co-operation of the Defense Department, although the men paid their own way.

**NO WAR JUSTIFIED**

No war, in my opinion, can ever be rationalized effectively as a "just" war and certainly the Vietnam War is no exception. However, after a month's tour of the Far East with 26 other men from newspapers, radio and television stations in 17 different States, I am convinced that the policy the United States is pursuing in Vietnam is as justified as that in any war in which this country has ever participated.

And in view of the fact that the menace of communism, under the leadership of the U.S.S.R. and Red China, is such a threat as it is in the world today, I'm not sure but that what we're trying to do in Vietnam isn't even more important than past wars, insofar as this country's—and the world's—future is concerned.

**FAR EASTERN COUNTRIES THANKFUL TO THE UNITED STATES**

Strangely enough, I, and the rest of the men in our group, came to this conclusion not because of being in Vietnam, but as the result of meeting and talking with the officials and people of Taiwan (Formosa), South Korea, Thailand and the Philippines. Without exception, they expressed to us their thanks for what America has done and is doing in Vietnam, in order to assure that the smaller countries of the Far East can determine their own destinies.

As the Foreign Minister of Thailand, Thanat Khoman, said to me, "Until the United States took a definite stand in Vietnam, all of the smaller countries in the Far East were concerned greatly about the communist menace of Red China—how we can maintain our freedom and determine our own destiny is our paramount interest and concern and we feared for our ability to do it. However, when your great country showed that it would stand beside us to repel communism, we took hope, and today we no longer fear Red China and we are more than willing to add our resources and our co-operation to those who defend freedom."

He went on to add that an indirect result of the United States' stand in Vietnam was to be seen in Indonesia, where the forces opposing communism rose up and purged the country of the Red threat, fairly sure that Red China would not, in view of the U.S. action in Vietnam, send in "volunteers" to put down the revolt and sustain the communist-dominated Sukarno government.

**A DIFFERENT KIND OF WAR**

A visit to Vietnam makes it rather clear as to why we are fighting a war there, but the war itself is something else again, since in all of our history, America has never fought a war such as is going on in Vietnam. In all our prior conflicts, we have identified our enemy forces, sought them out and destroyed them in order to bring about victory.

It's not that easy in Vietnam, since there are four important phases of the war, all of which must succeed if victory is to be achieved there and a permanent peace is to be brought to the country. They are:

- (1) The battle against the regular North Vietnamese or "main forces,"
- (2) The struggle against the Viet Cong,

(3) The success of the Chieu Hoi or "Open Arms" program whereby the Viet Cong are encouraged to desert the communist forces and come over to the government's side, and

(4) The success of the pacification program and the bringing of security to the villages now dominated by Viet Cong terrorism.

Without exception, American officials, from General William Westmoreland on down, are convinced that the only way to solve the Vietnam situation is to work through the Vietnamese people themselves. We, meaning the United States, could occupy the country, but it would take double and perhaps triple the men now there to do it, and nothing would be gained, in the long run.

This reasoning is simple and it boils down to the primary reason we are in Vietnam today—we are there because this nation feels that any other nation, regardless of size, should be allowed to determine its own destiny. South Vietnam has asked us to help it remain free and we are furnishing that help. To pull out before this objective has been accomplished would be disastrous to the whole Far East situation, and ultimately would reflect on the stature and security of the United States itself.

**AN EVEN GREATER PROBLEM**

While seeing the Vietnam war, first-hand, opened our eyes to a lot of misconceptions we held before visiting the country, our eyes were also opened to another problem in the Far East, which if not solved, will cause the world far more trouble and problems than is now caused by the war in Vietnam. It may be summed up by three words—too many people.

The average American has no conception of the misery and poverty the people in the Far Eastern countries endure. The worst slums in our cities would be paradise to millions of people living—"existing" is a better word—in shacks or in no houses at all in these countries.

During the trip I spent four days with Dr. and Mrs. Norman H. Dohn in Manila, where he is connected with the American Embassy as a United States Information Officer. Norm showed me the results of the population explosion in the Philippines and it was hard for me to realize that human beings exist under such conditions.

**TO FEED THE HUNGRY**

Fortunately, the United States is earnestly trying to do something to improve the situation, one of the most outstanding endeavors being the International Rice Institute, about 30 miles from Manila, where Americans are revolutionizing the rice industry. (The Institute is headed by Dr. Richard Bradfield). I was amazed to learn that for hundreds of years, Oriental farmers have been growing rice and losing from 50 to 90 percent of their crop, simply because the stalks were too weak and the ripened grain caused them to bend over and drop the rice into the water of the rice paddies.

In a little more than three years, American scientists at the Rice Institute have come up with the simple solution of developing a rice plant with a stronger stalk, which will increase rice production a great deal in future years. Unfortunately the increased production will not nearly satisfy the hunger of the millions of additional mouths to feed, unless the present high birth rate is curtailed.

Probably the biggest personal thrill that I got out of the trip was a sense of pride in America—its aims and accomplishments in trying to help the world be a better place for all people—and a sense of thankfulness to God that I was privileged to have been born in this country in the first place. In short, it takes a trip of this sort to make an American appreciate the blessings we have—I only wish that all Americans could take a similar trip.

**"OEO'S WORK IS REALLY JUST BEGINNING"**

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUTTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUTTON. Mr. Speaker, on June 14 a group of businessmen from across the country, who work closely with local community action programs, held a meeting in Washington to exchange views, reflect constructive criticism, and present their proposals on community action programs. More than 50 businessmen, all of whom serve on local councils of community action programs, attended the meeting, and at the close of the session a resolution was presented and unanimously adopted. Since I am sure many of my colleagues are interested in what business leaders have to say about community action programs, with unanimous consent I insert the resolution at this point in the RECORD:

A Resolution to the Congress of the United States Passed Unanimously by the Community Action Sub-committee of the Business Leadership Advisory Council Chaired by Ralph M. Besse, Chairman, Cleveland Electric Illuminating Company:

"Whereas those in attendance at this meeting are representatives of a variety of business interests throughout the Nation;

"And whereas we are actively engaged in the War on Poverty through service on Community Action boards and through private efforts to alleviate poverty in our own communities;

"And whereas we are vitally interested in the continued success of the Community Action Program;

"We therefore strongly recommend:

"(1) that the Office of Economic Opportunity, whose work is really just beginning, remain intact and that it be the central organization to lead the efforts in the War on Poverty.

"(2) that the funds recommended in the President's message to Congress for the Office of Economic Opportunity effort for the coming year be passed by Congress.

"(3) that this include the maximum amount of versatile funds for Community Action."

Mr. Speaker, local leaders in business are important factors in the formation and support of all antipoverty projects. It is gratifying, that businessmen throughout the country, and in sizable numbers, have responded to the challenge of our national consciousness by involving themselves directly with community action programs, which, all of my distinguished colleagues know, are central to the war on poverty.

Back a few years, many business leaders, along with others, were doubtful that poverty really existed, but when the facts about deprivation in America began to surface, experts in the field of business—trained with expertise in marketing and sales problems—realized that this Nation with the greatest distribution system of goods and services had never bothered to create delivery systems to reach one-fifth of its people. America's 35 million poor.



Since that time, Mr. Speaker, I am glad to say, our country's business leaders, both with local and national responsibilities, have attempted to meet this exciting and rewarding challenge. Strong support from all sectors of American business have now urged continuation, and in some cases expansion, of many of the OEO initiated programs—programs that for the first time have attempted to meet squarely the root causes of poverty.

Businessmen, such as those gentlemen who met here recently, have helped in the design and organization of war on poverty programs since OEO was created with the mandate from Congress "to eliminate the paradox of poverty in the midst of plenty in this Nation." Sixty of these men now serve on the Business Leadership Advisory Council. Men like Walker Cisar, chairman of Detroit Edison; Marion Folsom, of Eastman Kodak; Edgar Kaiser, of Kaiser Industries; Gerald Philippe, chairman of General Electric.

Out of this committee of distinguished business leadership have come practical proposals such as the recent "Success Insurance" plan, which will make it possible for smaller businesses across the country to participate in programs which will train hard-core unemployables and guarantee the employer that his investment will be returned. Incidentally, the first grant funding a "Success Insurance" plan was approved just this past Friday.

Business leaders, I believe, see the value of their participation in these programs. Tex Thornton, president of Litton Industries, put it well when he said:

In terms of the economic benefit and in terms of savings in the cost of relief, crime and institutional care, there is very much in it for us as businessmen.

Other major business organizations involved in the poverty effort, to name just a few, are Westinghouse, I.T. & T., Brunswick Corp., RCA, and IBM. This is as it should be, for there is certainly plenty of work to be done.

Business leaders know that one-fifth of a nation is too rich a resource to lie fallow. They know that by raising the living standards of the poor their dependency on welfare can be lessened or done away with completely.

Additionally, many major professional, civic, educational and religious organizations have reacted favorably to OEO initiated programs.

The American Bar Association has strongly endorsed the OEO legal services program.

Leading officials of the American Medical Association have endorsed neighborhood health centers, federally funded.

The U.S. Conference of Mayors has urged the continuing and strengthening of community action.

The National Education Association has endorsed the Job Corps.

The National Congress of PTA's has issued a resolution commending VISTA—the domestic Peace Corps.

Our Nation's younger civic leaders are responding too, and are well represented

in the millions of American volunteers in the war on poverty. This was evidenced recently by Mr. Bill Suttle, president of the U.S. Jaycees, who said that OEO's objectives of alleviating poverty, suffering, ignorance, and blight while building a greater America—through the resources of local community action is fully consistent with the Jaycee objectives of "personal growth through civic involvement."

One of the particular areas of OEO activity praised by Mr. Suttle was the attempt to provide job opportunities for all Americans. He said the Jaycees placed emphasis on the need to make productive taxpayers out of potential welfare recipients. He also promised to contact local Jaycee officers in selected cities around the country, asking them to work with leaders of locally established OEO community action agencies.

Mr. Speaker, this kind of broad-based support for all the new programs created by the Office of Economic Opportunity is heartening. More than that, it is solid proof that OEO is recognized as the one Federal agency which serves as the spokesman for the poor in government. Only half the size of the Small Business Administration, OEO provides the central command post for the Nation's effort to win a war against all the causes of poverty.

Mr. Speaker, I am also pleased to note, that many distinguished colleagues on my side of the aisle have already indicated the need for more money next year for the war on poverty, and, in fact, have gone on record favoring the continuation of each of the programs initiated by OEO.

Like the businessmen, Mr. Speaker, who took time out of their tight schedules to attend the June 14 conference referred to earlier, I, too, believe OEO's "work is really just beginning."

#### A NEW LOOK AT VIETNAM

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. MORSE] is recognized for 60 minutes.

Mr. MORSE of Massachusetts. Mr. Speaker, I sincerely regret that the distinguished majority leader has left the floor of the Chamber. As I said earlier, I was pleased that he took the time to respond to an address that had not yet been delivered on the floor of the House, and I am grateful, as my colleagues are, for the qualified endorsement which the distinguished majority leader, speaking I presume, for the administration, made to the proposal that I shall set forth now on behalf of several of my colleagues on the minority side—the gentleman from Oregon [Mr. DELLENBACK], the gentleman from Michigan [Mr. ESCH], the gentleman from New York [Mr. HORTON], the gentleman from Maryland [Mr. MATHIAS], the gentleman from Ohio [Mr. MOSHER], the gentleman from Pennsylvania [Mr. SCHWEIKER], and the gentleman from Vermont [Mr. STAFFORD].

I would also like to call the attention of the majority leader to the fact that my colleagues and I, who have worked on this proposal for several months, have

already—in a spirit of what I deem to be responsible concern—made our proposal available to the administration several weeks ago.

It is disturbing to us that the recent public discussion of the war in Vietnam has polarized into rigidly opposing sides, the one urging military escalation in the hope of a quick settlement of the war, the other urging total withdrawal or complete cessation of bombing in the north as the only key to peace. Both of these points of view, in our judgment, reflect their advocates' lack of understanding of the nature of limited war. In addition, they are essentially negative and do not offer any positive approach to the tragic problems of Southeast Asia.

What both sets of critics have forgotten is that the conflict in Vietnam is a limited war. This fact imposes special requirements not only on our military planning but on our diplomatic efforts as well.

We do not for a moment believe that the proposal we will make later in these remarks is the only hope for settlement, but we do think that discussion of the kind of diplomatic initiative we will suggest would contribute to a more balanced appraisal of our problems and perils in Vietnam.

#### THE NATURE OF LIMITED WAR

The war in Vietnam is a limited war. It is limited in the combatants involved. It is limited in the objectives of the combatants. It is limited in the weapons they use. It is limited in the targets against which those weapons are employed.

Without a clear perspective of the nature of limited war, it may not be possible to devise practical diplomatic and military steps to bring the war to an end.

Many of the comments of the administration and of both groups of its political critics on the Vietnamese war—both those who would bomb more and those who would bomb less—reflect a failure to comprehend the differences between limited and total war. Those differences are essential to an understanding of which steps may maximize the opportunities for peace.

What are the essential truths about limited war?

First, a limited war with limited objectives cannot be ended and cannot remain limited if one side insists on the unconditional surrender of the other. In one sense this is obvious; the weapons and level of force necessary to obtain an unconditional surrender would turn the war from limited to total. In another sense this fact is not so obvious; when objectives and weapons are limited both sides must be willing to compromise if the war is to be ended.

Second, the end of a limited war requires that the combatants that meet at the peace table appear to be equals. If one side were to appear to "lose face" by negotiating; negotiations in a limited war context would not occur. A peace conference between victor and vanquished is possible only when one side wins and the other loses—loses not just face but the war, too. But that means

surrender, which in turn means that at least one side has removed most of the limits on its use of military force. In other words, negotiations to end a limited war must appear to be at the initiative of both sides, must appear to some degree to be the result of a military stalemate in which both sides can claim success, and must result in an agreement which each side can convincingly claim as a major achievement in pursuit of its objectives. It is not necessary for the two sides to be actual equals; nor is it necessary for the agreement to be equally valuable to each side; but it is of paramount importance that both governments can make a believable case to their people that will justify both the negotiations and their results.

Third, negotiations to end a limited war are unlikely without an advanced degree of mutual confidence in the word of the combatants. Unlike total war, limited war requires communications between the opposing sides—effective communications of both a tacit and direct form. It is through these communications that each side can understand the objectives of the other side and understand that both those objectives and the weapons used in support of them are genuinely limited. The purpose of the communications is not merely to avoid catastrophe from misunderstanding but also to build the kind of confidence in the sincerity of the other side that will allow negotiations to take place. It is thus in the interest of each side to define its limited objectives precisely, to avoid extravagant public diplomacy which might easily be misinterpreted as mere posturing for public relations purposes, and to be credible by keeping its promises and being willing to listen to the thoughts of others. It would be unwise for anyone to expect that a limited war will end suddenly—by one dramatic gesture which will lead to an immediate peace conference. On the contrary, if such a conference is to happen, it must be preceded by a series of small steps by which each side can test the other's genuine desires and by which each side can clearly demonstrate its own. Without that atmosphere of mutual confidence, negotiations for the end of a limited war are not likely to happen and are even less likely to be successful.

Fourth, it is not possible for one side to fight a limited war and the other a total war. The escalation of one side will inevitably be matched by the other. It is unreasonable to think that if one side has an advantage in available air power and the other in available numbers of land forces, that either would allow the other to use its advantage without employing its own. It is equally unwise to become preoccupied with the limits you have imposed on your own military forces and neglect the obvious but unused power available to the other side. A decision by either side to remove the limits to the power it employs is a decision to risk the likelihood of total war.

From the perspective of these truths of limited war, the Vietnam positions of the Administration and both sets of its critics are found wanting.

Those who advocate a rapid or steady escalation in the power applied against

North Vietnam are convinced that such a course would force North Vietnam to the negotiating table on its knees. Far more likely would be the rapid escalation of the conflict from a limited to a total war.

Among the options still available for Communist escalation in the Vietnamese conflict are: The use of terrorist bombings against Saigon and the civilian populations of other South Vietnamese cities; the infiltration in massive numbers of the very large North Vietnamese standing Army; the use of Communist volunteers in massive numbers from other Communist countries; the opening of a second diversionary military action in Korea to sap Western strength; and so forth.

Despite its increasing qualifications as a truism, it is nonetheless vital to appreciate that it is not in the U.S. interest to become engaged in an unlimited land war on the Asian Continent. Escalation which would change the psychological atmosphere of the Vietnam war from emphasis on restraint to emphasis on power would be likely to result in such an unlimited land war. Therefore, it would be wrong.

Those who advocate a sudden and complete halt to the bombing are similarly convinced that this step would have the best chance of bringing North Vietnam to the negotiating table. Unfortunately, this step would also be unlikely to achieve the desired results. Given the history of U.S. policy and the nature of U.S. domestic politics the government in Hanoi is likely to think that the sudden and complete cessation of or even pause in the bombing is either a ruse or a sign of desperation—and in either case the cause of negotiations would not be meaningfully advanced.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I am glad to yield to the gentleman from New York.

Mr. HORTON. First, I would like to commend the gentleman from Massachusetts for the statement he is making. I wish to indicate to him and to the House that, as he knows, I have worked very closely with him in the development of this proposal. Second, I want to indicate to him and to the House that I have joined with him in this statement on this proposal that we are making. I think it is very appropriate that this statement is being made at this particular time, because the Secretary of Defense, Mr. McNamara, is now in Vietnam talking in terms of perhaps increasing the number of units of American troops in Vietnam. There is no talk at the present time about deescalation. As far as I know, there is no talk at the present time other than just wishful thinking that we could arrive at the negotiating table. Many efforts have been made, of course, by the administration to try to arrive at a stage where they could get to the negotiating table, but it seems to me at this particular point in time all indications are for escalation and not negotiation. I am hopeful this plan being presented at this particular time will bring about debate and discussion and can be used as the basis for deescalation rather than escalation.

So, Mr. Speaker, I want to take this occasion to commend the gentleman and those who have joined with us in presenting this proposal to point out that I think it is a very good time to propose this and also to indicate my hope that it can be the basis on which this Nation and North Vietnam can arrive at a more meaningful effort for negotiations.

Mr. MORSE of Massachusetts. Mr. Speaker, I thank the gentleman from New York for his comments and I would like to acknowledge the significant contribution that the gentleman has made in the preparation of the proposal which we jointly make to the House today.

Making the cessation a pause minimizes its risk and its effectiveness, too. The only positive value a sudden and complete cessation of the bombing of North Vietnam would have would come if the bombing were stopped for such a long time that North Vietnam became convinced of the genuine nature of U.S. motives and had the opportunity to make a diplomatic initiative of its own which would appear to be unrelated to the bombing cessation and would thereby not cause any loss of face to the Hanoi government. But in all likelihood the period of time required would be so long as to involve serious military risks in allowing the reestablishment of free-flowing supply and support channels to the south.

In other words, a complete bombing pause would not prove the genuine sincerity of the United States while a complete bombing cessation long enough to prove the genuine sincerity of the United States would involve a great military risk to the United States.

In still other words, a complete bombing pause would not prove the genuine sincerity of the United States but a complete bombing cessation long enough to prove the genuine sincerity of the United States would not in any way assure the genuine sincerity of North Vietnam. It might, therefore, prove to be a greater impetus to instability than to stability.

While the administration rejects both of these suggestions from its two sets of critics, its position is also a dubious one. It appears to be unyielding and inflexible—rigidly insisting that the first concrete step toward deescalation be taken by North Vietnam—dogmatically demanding that North Vietnam demonstrate its genuine sincerity for negotiations before the United States does. It is an attitude which may reflect a misunderstanding of the nature of limited war, for it asks the enemy to risk losing face. The administration insists on publicly putting the Government of North Vietnam on the spot by insisting that she back down first. It is a position which comes dangerously close to changing the atmosphere of restraint to an atmosphere of power—and a limited war cannot stay limited or be ended in an atmosphere of power.

Significant military escalation, sudden and complete cessation of the bombing of North Vietnam, and a rigid devotion to the status quo all fail to meet the limited war criteria of a promising policy to bring about honorable negotiations to end the war in Vietnam.

Does a viable policy option exist? To



qualify such a policy must meet the following criteria:

It must not risk expansion of the limited war to total war.

It must not risk significant erosion of the current military advantage of the United States in Vietnam.

It must induce a growing atmosphere of mutual confidence.

It must permit each side the opportunity to claim initiative.

It must not require either side to "lose face."

It must be susceptible to presentation, verification, and implementation through the private channels of diplomacy.

#### STAGED DEESCALATION

Such a potential policy does exist. The experts would probably call it "staged deescalation." One variation of it would be as follows:

The United States would halt all bombing in North Vietnam north of the 21st parallel for 60 days.

If during that time the North Vietnamese Government undertook a similarly limited, similarly visible and similarly measurable step toward deescalation the United States would immediately halt all bombing in North Vietnam north of the 20th parallel for 60 days.

If within the first 60-day period the North Vietnamese had taken no such step, the bombing would be resumed.

In five such successive steps the United States would gradually cease all bombing of North Vietnam. Each step after the first would be dependent upon a similar deescalation by Hanoi. If no such step were taken in the first 60 days, the plan would end.

If either side violated its word at any time, the plan would end.

The United States should propose the plan to the Hanoi government through private diplomatic channels only. Any public notice or acknowledgment of its acceptance or implementation should be made only by mutual agreement.

Those equivalent deescalatory steps to be taken by the North Vietnamese Government could be proposed in the plan by the United States, or could be defined in advance by the North Vietnamese Government, or could be accepted one by one as they are implemented. It is vital, however, that clear and precise information about them be communicated so that they can be verified. Obviously, agreement in advance would be preferable in order to assure that what Hanoi thinks is equivalent Washington does also.

Examples of measurable and equivalent deescalatory steps by the North Vietnamese Government might include: the cessation of shipments to and from specific military supply depots in the southern portion of North Vietnam; the erection of barriers on and the nonuse of specific supply routes in North Vietnam and Laos along the Ho Chi Minh Trail; the withdrawal of all Mig fighters to distant bases in northern North Vietnam; the cessation of all terrorist bombings in specific areas of South Vietnam; the release of U.S. prisoners of war; et cetera.

It would be vital not to expect the

North Vietnamese to undertake steps which might put themselves at a distinct military disadvantage.

The staged cessation of U.S. bombing, if the plan does not work, can be reversed on a few hours' notice. The steps to be taken by North Vietnam should be expected to be of the same nature. It would be unwise, for example, at an early stage in the deescalatory process to demand or expect, from the North Vietnamese, steps such as the dismantling of their SAM sites, total evacuation of supply depots, or withdrawal of army units from the south.

This policy of staged deescalation meets each of the criteria cited previously to maximize the chances for negotiations in a limited war and minimize the military risks involved.

It obviously does not risk expansion of the limited war to total war.

It does not risk significant erosion of the current military advantage of the United States in Vietnam. The greatest military advantage which results from the bombing of North Vietnam comes from destroying targets in southern North Vietnam—supply depots and routes along the Ho Chi Minh and other trails into South Vietnam. By halting the bombing stages, by starting the cessation in northern North Vietnam and gradually working southward, by tying each successive stage to equivalent North Vietnamese reductions in its support operations to the south, the plan minimizes the military risks to the United States. If a cessation of U.S. bombing north of the 21st parallel were matched by a dismantling of and evacuation from major North Vietnamese supply depots along the Ho Chi Minh Trail, and if successive U.S. steps were matched by similar North Vietnamese steps, by the time U.S. bombings were halted in all of North Vietnam, most significant North Vietnamese infiltration of men and supplies into South Vietnam would also be halted. The first U.S. step envisaged in the plan may not be matched by the North Vietnamese—in which case after 60 days all the bombing the United States is now doing could be resumed. Furthermore, the 60-day cessation of bombing above the 21st parallel would affect raids over Hanoi, but would not affect raids over Haiphong or Nam Dinh areas, each of which would be immune from bombing only after the second U.S. step which must be preceded by some significant North Vietnamese deescalatory step.

The staged deescalation plan would induce a growing atmosphere of mutual confidence. In fact, the most important attribute of the plan is that each step by each side involves little military risk in itself, is clearly visible to and measurable by the other side, and is dependent upon a previous step by the other side. It is a series of small steps, each of which builds confidence in the genuine sincerity of each of the combatants. If it is successful, at the end of the process not only will U.S. bombing in the north and North Vietnamese infiltration into the south be ended, but a spirit of confidence might have emerged. That spirit of confidence could provide a real opportunity for fruitful and honorable negotiations

or for a similar staged deescalation in South Vietnam itself—or both.

The plan would permit each side the opportunity to claim initiative. The plan calls for nine or 10 separate steps, taken alternately by the United States and North Vietnam. Patriots, political scientists, and propagandists in each country will be able to claim that it was the steps taken by their government which led to the other side taking similar steps. Each side can claim—and do so justifiably—that its initiatives paved the way toward peace. It is a flexible system through which both sides can equally contribute toward peace and through which both can appear to pursue their national objectives.

The plan would not require either side to "lose face." It would not require that one side yield either to the force or the threat of force of the other. It would be a mutual deescalation from which both sides could benefit. This would be especially true if the plan were initiated through private diplomacy—and implemented and announced through mutual diplomacy, which leads to the final criterion:

The plan obviously can be susceptible to presentation, verification, and implementation through the private channels of diplomacy. It can be, and if it is to succeed, it should be.

Even if the plan meets all the criteria of limited diplomacy, will it work? No one can answer that. All that can be said for it is that it seems to offer more promise than the stand-pat policy of the administration or the alternatives suggested by either set of its major critics. For too long the administration implicitly, and its Vietnam critics explicitly, have held out the hope to the American people that there is some simple formula, some magic key which, if found, could end the Vietnamese war suddenly and dramatically. This is extremely unlikely. It is not in the nature of limited war for peace to come overnight—for surrender is improbable and a cease-fire comes only after arduous diplomacy.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I am glad to yield to the distinguished chairman of the Committee on Armed Services.

Mr. RIVERS. Did we not try a 30-day pause in the bombing of North Vietnam?

Mr. MORSE of Massachusetts. I recall that we did, but that was 2 years ago, if my recollection is correct.

Mr. RIVERS. Mr. Speaker, if the gentleman from Massachusetts will yield further, it was fewer than 2 years ago.

Then we had the lunar truce which represented another pause in the bombing. However, they did not show any indication at all that they would cease their activities.

Mr. MORSE of Massachusetts. I believe the reason, if I may respond to the distinguished gentleman from South Carolina, was the lack of the kind of intensive diplomatic effort which should have been made in connection with that particular cessation, but which was not made.

Mr. RIVERS. The 30-day period to

which I refer was not 2 years ago. The President of the United States sent ambassadors and emissaries to over 19 nations in a very, very viable and intense effort to get these people to come to the negotiating table.

The President even said that if they even raised an eyebrow any time, anywhere, any place, to indicate that they would discuss this problem, this country would be willing to discuss it.

However, what did Ho Chi Minh say? His response was based upon the condition that we withdraw all of our forces from Vietnam first. He was positive and adamant with reference to that position.

Mr. Speaker, I cannot see where the gentleman's proposal would bring about any sort of proposal or response on the part of the North Vietnamese to the effect that they wish to sit down and discuss this situation.

All of us want to stop this thing, and God knows that. I receive the casualty figures every single day. However, these people do not seem to worry about that. At this time they are carrying on a very large-scale offensive right now with rockets from Russia, bombing our bases with rockets which are coming into the port of Haiphong and down the railroad tracks from Red China.

If the gentleman has any private information that these people would do something like this, if he would present such information he would indeed render a great service to his country, if we could just have some indication that we may find a plan where these people will be willing to sit down and discuss these issues.

But I would remind the gentleman that in the demilitarized zone there were hundreds and hundreds of violations of the truce during the lunar truce, and that they were crowding the roads of Laos in order to go down the back way to the Mekong Delta.

These people do not frighten easily, and these people are not frightened now.

As I say, I must commend any effort—and certainly I do not deprecate the efforts of the gentleman nor do I demean the efforts of the gentleman for any plan that he has—but I just cannot see where the program the gentleman has suggested will work, and be successful, based on past experience.

I would ask the gentleman, if the gentleman does not mind talking to me for a second or two longer, whether the gentleman does not share my opinion.

Mr. MORSE of Massachusetts. I would say to the distinguished chairman of the Committee on Armed Services, if I were to have the opportunity to respond, that the distinction is this, I believe: In the previous efforts that the administration has made—and there have been many of them, several of which the distinguished majority leader recited earlier today. And I believe we all give credit to and applaud the efforts the administration has made—I believe in each one of these efforts we have asked for simultaneous matching action by the North Vietnamese, whereas the approach we put forth today involves a limited U.S. initiative at a minimum military risk.

It would mean that the United States would first take a certain course of action, at minimum military risk. This approach never has been tried before; it is a novel approach. We believe it has very great opportunities of leading the way to possible negotiations, a goal that I know the distinguished chairman of the Committee on Armed Services and everyone in this body wants to achieve.

I believe the earlier history which the distinguished chairman has recited does not have relevance to this proposal.

Certainly every Member of this House is aware of the intransigence of the North Vietnamese. Certainly we are aware of the fact that they are not about to quit. Certainly we are well aware of the terroristic activities they have engaged in. But we conscientiously and earnestly believe that this kind of new departure is likely to bring about results which the earlier efforts have not achieved.

Mr. RIVERS. I would say to the gentleman that we have not as yet gone all out to punish these people. They have sanctuaries the gentleman ought to know about. They have sanctuaries that contain the most intensive antiaircraft fire that has ever been known in the history of warfare. Our fliers call it the road to hell, as they fly over it. They shoot our planes down day after day. They have knocked down many of our planes by reason of these sanctuaries. We have ascertained they have thousands of anti-aircraft guns. So I would say to the gentleman that we have not in fact punished them enough.

Mr. MORSE of Massachusetts. I would suggest that one of the measurable, verifiable deescalatory steps that we might require from the North Vietnamese would be a halt in the use of these sanctuaries.

Mr. RIVERS. Mao Tse-tung says that all diplomacy begins at the barrel of a gun, and I say we have not punished these people as I believe we should, and if we do, then they may even get around to the point of talking with us, but so far we have not punished them enough, in my opinion.

I believe the gentleman has made a fine effort, but in my opinion it would not work.

Mr. Speaker, I thank the gentleman for allowing me this time.

Mr. MORSE of Massachusetts. Mr. Speaker, I am glad the distinguished chairman of the Committee on Armed Services could take part in this debate. As I said before, if after the first 60-day period the North Vietnamese have not taken any step toward deescalation, then the bombing could be resumed, and the plan would come to an end. But if something were forthcoming of a meaningful, verifiable, and measurable nature, then in five successive steps the United States would gradually cease all bombing of North Vietnam, each step after the first being dependent upon similar and comparable deescalation by Hanoi.

Mr. RIVERS. But if either side violated that, then it would end at any time?

Mr. MORSE of Massachusetts. Then it would end.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman.

Mr. STRATTON. I wonder if the gentleman would repeat his suggestion? As I understand it, this is a kind of proposal for a step-by-step deescalation. Your first proposal is that we cease the bombing north of the 20th parallel?

Mr. MORSE of Massachusetts. North of the 21st parallel.

Mr. STRATTON. Yes, north of the 21st parallel. That is 300 miles north of the demilitarized zone where bitter fighting has been going on.

Mr. MORSE of Massachusetts. That is right.

Mr. STRATTON. Let me ask the gentleman two questions. First of all, his proposal would not involve any reduction in the bombing of the vital, key, choke points of infiltration points of South Vietnam.

Mr. MORSE of Massachusetts. Certainly, in its initial stages that would be so and I am glad the gentleman from New York has clarified that point.

Mr. STRATTON. In fact, if I understand the gentleman's proposal correctly, we might even conduct more intensive bombing in that critical, narrow neck choke point area so as to prevent the infiltration of these weapons that have been killing our boys in the DMZ.

Mr. MORSE of Massachusetts. There is nothing in our proposal that would prevent such an intensification.

Mr. STRATTON. Let me ask the gentleman one further question.

As I understand it, this proposal is that we undertake this cessation for a period of time and he says if then we find some appreciable reciprocal action on the other side, we can move into the second step.

Mr. MORSE of Massachusetts. The deescalatory step which, by hypothesis, the North would take would have to be a measurable and verifiable and comparable one.

Mr. STRATTON. What period of time would the gentleman propose that we cease bombing north of the 21st parallel to find out whether or not there was any reduction by the other side?

Mr. MORSE of Massachusetts. We have suggested a period of 60 days believing that that period of time would permit the kind of intensive diplomatic approaches that would be necessary before we could see whether there had been a measurable, verifiable, and significant deescalation by the North. The system should have the flexibility, however, to cause a minor violation merely to set back the timetable rather than necessarily ending the entire experiment.

Mr. STRATTON. If, as the distinguished chairman of the Committee on Armed Services just pointed out, we get no further on that suggestion, and I think it is very interesting—but if we get no further with the North Vietnamese than we have on the 28 or 29 other proposals that our Government has made, then the gentleman would suggest that we resume the bombing?

Mr. MORSE of Massachusetts. We would revert to the status quo ante. I



do, indeed, suggest that. However, I would point out to the gentleman from New York that this effort is different from each of the 28 or 29 efforts that the administration has made in that it is not conditioned upon simultaneous action of the North Vietnamese.

Mr. STRATTON. I think the gentleman is right. This is different. I am not sure I would agree with it. We have always suggested that the other side make a simultaneous move and I think the President has said if we can just see any indication on the other side of any desire to put a brake on their operations, then we would take a number of steps on our side. The fact of the matter is we have seen absolutely no effort made. I think the President said at one point if we could just see one truck going north to Hanoi after all the trucks coming down, we might think there had been a change but we have not even seen that. So I am not too optimistic that even within these 60 days we would see that. But I think, as the distinguished chairman of the committee has said, that this is an interesting proposal and I appreciate the gentleman clarifying it as he has just done.

Mr. MORSE of Massachusetts. I thank the gentleman from New York.

I would like to point out to the gentleman from New York that the proposal which my colleagues and I are making today is designed to achieve the very kinds of objectives that the President has indicated we are trying to achieve.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Oklahoma, the distinguished majority leader.

Mr. ALBERT. It is very difficult for me to share the optimism that the gentleman has expressed about the 60-day proposal which would involve, as I understand it, a discontinuance of bombing north of the 21st parallel. I say this because a total discontinuance of bombing for a period of 30 days was completely unfruitful. It was unfruitful even though we made intensive diplomatic efforts during this period to bring the matter to the conference table. What has changed in Hanoi that would cause the gentleman to believe that we would be doing anything other than encouraging the enemy if we stopped the bombing north of the 21st parallel?

What has happened since the last cessation of bombing that causes the gentleman to come to that conclusion?

Mr. MORSE of Massachusetts. Mr. Speaker, in responding to the distinguished majority leader, I do not pretend to have optimism. We do not suggest this proposal as a panacea. We merely propose it as an approach which the administration has not yet taken. Obviously, as the gentleman knows, I cannot speak for the other side, but I believe that what we propose is sufficiently different from the approaches that have been utilized by the administration heretofore to merit our careful examination of it. It involves a minimum military risk. I know that the distinguished gentleman from South Carolina would certainly not want to take any risks that would result in a serious military setback.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from South Carolina.

Mr. RIVERS. Say that the course which the gentleman has suggested is followed north of the 21st parallel, that good faith is evidenced by the United States, of course, and the whole world knows it.

Mr. MORSE of Massachusetts. That would be a very significant advantage to the United States.

Mr. RIVERS. Certainly. I understand. Suppose we tell the whole world what we are doing. Suppose we give it worldwide publicity, and say after the period of time suggested, 60 days or whatever it is, Hanoi would say that our conditions are still these: Withdraw from Vietnam first. What would the gentleman then say?

Mr. MORSE of Massachusetts. Mr. Speaker, I have already given my answer to that question. Of course, it would not be proper for the United States to withdraw from Vietnam. That is one of the prefatory conditions of our proposals.

Mr. RIVERS. So we would say, "We are not interested." Would we then go back to bombing?

Mr. MORSE of Massachusetts. Indeed.

Mr. RIVERS. In the same pattern which we are now following?

Mr. MORSE of Massachusetts. That decision would be for minds other than mine to determine.

Mr. RIVERS. Or would you intensify the bombing?

Mr. MORSE of Massachusetts. I think that determination is for one far more skilled in military affairs than any Member of Congress.

Mr. RIVERS. You are pretty skilled in presenting your plan, and I wondered if your plan would then contemplate subsequent knocking out of the Port of Haiphong, by mining or in some other way, but leaving it to the military to do.

Mr. MORSE of Massachusetts. Mr. Speaker, I would say that this House and the other body should engage in the days ahead in some serious debate about the course of action that our Nation should pursue in Vietnam. It is likely that the Secretary of Defense will return to the United States in a few days with recommendations which will be put before this Congress. It seems to me that every Member of this House and every Member of the other body has an important responsibility to take part in the debate, and only if persuasive evidence for intensified military activity is put forward should we acquiesce in intensifying that effort.

Mr. RIVERS. During this lull about which you speak and which you propose, suppose we find that the North Vietnamese are moving vast stores of supplies, materiel, and logistics, including men, to some strategic point in South Vietnam, Laos, the DMZ, and other places and say that our conditions are the same as they have always been. Would the gentleman then intensify the bombing all up and down the line?

Mr. MORSE of Massachusetts. Mr. Speaker, I think the chairman has misinterpreted what we have proposed, be-

cause there is nothing in the plan which we advocate which would in any way inhibit the military action now being pursued by the United States south of the 21st parallel, even after the inauguration of the plan.

Mr. RIVERS. I am speaking of north of the parallel.

Mr. MORSE of Massachusetts. Are you familiar with that area north of the 21st parallel, Mr. Chairman?

Mr. RIVERS. I have never been there, if that is what you are talking about.

Mr. MORSE of Massachusetts. Neither have I; but the right of interdiction of the supply routes would still be maintained.

Mr. RIVERS. I have understood from newspapers that in certain areas some of our planes have not flown over. I do not know exactly what the areas are, but I know that in certain areas they have not flown over North Vietnam.

If the proposal should fail, would you permit them to fly over those certain areas in North Vietnam that they are not now flying over?

Mr. MORSE of Massachusetts. I would say this: If there is no significant, visible, measurable response from the North Vietnamese after the intensive diplomatic efforts which will have been made by the United States during the 60-day period which we have described, the status quo would be resumed.

Mr. RIVERS. You would not commit yourself to an intensification of the bombing?

Mr. MORSE of Massachusetts. I think, sir, without far greater and compelling evidence than is now before the Congress that no Member should make that sort of determination.

Mr. RIVERS. If we did not, we would be there for a thousand years.

Mr. MORSE of Massachusetts. It may well be, Mr. Chairman, but I think that those who advocate total intensification of the military effort overlook—as I sought to point out in my prefatory remarks—the fact that this is a limited war and that it is in the national interest of the United States that it remain so.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I was interested in the remarks of the gentlemen that, the Secretary of Defense returning shortly, there should be a debate and that every Member of the House and of the Congress should express himself. I agree with him on that. Can I come to an understanding with my good friend from Massachusetts? Does he recommend we should pull out of Vietnam?

Mr. MORSE of Massachusetts. I categorically do not so recommend.

Mr. O'HARA of Illinois. The gentleman definitely does not. Then, in the next political campaign, could it be the position of his party that we should pull out?

Mr. MORSE of Massachusetts. One of the strengths of the Republican Party, is the fact that we encourage intellectual differences within the party. We do not insist upon intellectual conformity. I

certainly could not predict at this time that this or any other position will be the position of the Republican Party in the political campaign of 1968.

Mr. O'HARA of Illinois. Does the gentleman recommend bringing on the third World War? Does he advocate that?

Mr. MORSE of Massachusetts. I certainly do not. As I sought to make clear to the chairman of the House Armed Services Committee, I believe those who advocate an intensification of the escalatory effort overlook the fact that we do have a limited war situation, and it is in the interest of the United States to keep it as such.

Mr. O'HARA of Illinois. The position of the gentleman is somewhere between these two extremes?

Mr. MORSE of Massachusetts. Precisely.

Mr. O'HARA of Illinois. The gentleman is making a proposal. Is there anything novel in the proposal the gentleman makes? Is there anything novel in the proposal the gentleman is now making?

Mr. MORSE of Massachusetts. I believe there is.

Mr. O'HARA of Illinois. What?

Mr. MORSE of Massachusetts. It contemplates a dramatic U.S. initiative, and it gives the other side, as the Secretary of State describes the enemy, a period in which to come forward, as the result of the stimulation by our best and most intense diplomatic efforts, and undertake comparable, inexorable, identifiable, deescalatory steps of its own. I think this is unique, and different from any of the proposals the administration has made.

Mr. O'HARA of Illinois. I know the gentleman will agree with me that the President has sought in every possible way to bring about some way of getting the other side to the conference table to negotiate, and he has operated through many foreign governments.

Mr. MORSE of Massachusetts. I would disagree with the gentleman in this respect. He said "every possible way." I do not believe that is accurate. I certainly do credit the President with the most conscientious efforts to achieve negotiations with North Vietnam. But there is one way that has not been tried and that is the way we advocate. I believe it deserves the study of the administration and the Congress as an avenue which we hope will lead to an honorable conclusion, to an honorable peace.

Mr. O'HARA of Illinois. I have a great and profound respect for the gentleman and I know the power of his intellect. May I ask him how many days or weeks or months he has been giving to finding this solution?

Mr. MORSE of Massachusetts. I spent well over 12 months in working over the plan which my colleagues and I propose today.

Mr. O'HARA of Illinois. Meanwhile the White House and various people in the Congress and our Ambassador to the United Nations have been operating through many governments in the world and through religious organizations to try to find some answer. Do I understand the gentleman from Massachusetts has finally found that answer?

Mr. MORSE of Massachusetts. I cer-

tainly am not presumptuous enough, Mr. Speaker, to assume that we have found the answer. We do not pretend we have a panacea. We do pretend to introduce into the debate a concept, an approach, which hopefully will deserve the attention of the administration and will hopefully deserve the support and the attention of the people of the United States.

Mr. O'HARA of Illinois. I hope the gentleman has found the answer. If he has, I will pay tribute to him and to his year of fruitful study on this. The gentleman tells me this has gone on for a year.

Mr. MORSE of Massachusetts. I am sorry I did not understand the gentleman.

Mr. O'HARA of Illinois. The study which has resulted in the proposal the gentleman is making took a year?

Mr. MORSE of Massachusetts. Yes.

Mr. O'HARA of Illinois. If it turns out all right, I will pay the gentleman tribute and say it is the most fruitful year that has ever been given by any Member of Congress to the service of his country.

Mr. MORSE of Massachusetts. I certainly will welcome those words from the distinguished gentleman from Illinois.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I share the feeling of the distinguished gentleman from Illinois in his last statement, but the gentleman knows the old axiom that the whole is greater than any of its parts.

It is very difficult for me to understand why a partial discontinuance of bombing is a new approach when a total discontinuance for a 30-day period was tried and failed. I do not see anything new about it. It is just a part of something which has already been fully but unsuccessfully tested.

Mr. MORSE of Massachusetts. Mr. Speaker, in response of the comment made by the distinguished majority leader, I would merely point out that what my colleagues and I advocate is unique and distinguishable from that which the administration has already pursued, in that it involves a first step being taken by the United States, followed by intensive communication, by intensive diplomacy with the other side, in order to obtain a limited deescalatory step that is comparable, measurable, verifiable.

I believe that at no time has the administration so divided this terribly complex problem into a series of smaller and hopefully more achievable steps.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from New York.

Mr. STRATTON. I apologize for intruding on the gentleman's time, but I should like to make one other comment and to ask another question.

I believe the gentleman's comments a moment ago made it clear that he is offering this proposal, and others join him in offering it, because he does not quite believe that this Government really has done everything it can to elicit the interest of Hanoi in deescalating the conflict.

Mr. MORSE of Massachusetts. I would say that they have not done this.

Mr. STRATTON. I referred to 28 or 29 proposals. The gentleman said this is a new one that has not been made.

The gentleman's proposal really is based on the assumption, is it not, that Hanoi is interested in getting out of this war if only the right kind of formula can be provided.

Mr. MORSE of Massachusetts. I certainly would not join the gentleman in that statement. I would say this: it is incumbent upon every American, and especially upon those of us who have a policymaking responsibility, to search for techniques and for avenues which will encourage the North Vietnamese to adopt that posture.

Mr. STRATTON. We have found, have we not, as the distinguished majority leader has pointed out on several occasions, that all of the ideas which have been suggested before—I will agree that the gentleman's specific idea has not been proposed before—have fundered on the proposition that Hanoi just is not interested in cranking this down. They still believe they can win. They figure, why should they bother to agree to any proposals, because if they hang on a little longer we will get tired over here and they can pick up all of the marbles without a single string attached.

The gentleman feels this is not true, that Hanoi still would like to make peace, but we have not come up with the right formula?

Mr. MORSE of Massachusetts. I would suggest that the ingredients of the plan of which my colleagues and I propose take full cognizance, are No. 1, that this is a limited war; No. 2, that it is designed to increase mutual confidence of the adversaries; and No. 3, that it presents an approach which will permit the other side to respond without losing face, which is imperative in this kind of situation.

Mr. STRATTON. I ask the gentleman another question. Suppose that the proposal is put into effect and suppose, after the two months the gentleman proposes, we get no response of the type he expects from the other side. Then could we have some assurance that the gentleman and those proposing this will recognize what many of us I believe have reluctantly concluded already, that Hanoi just is not interested in making any kind of an agreement?

Therefore, the only way to settle this is to continue to apply the pressure in a military way, I agree with the gentleman, and a restrained way but to continue to apply the pressure until they just have to get out.

Mr. MORSE of Massachusetts. I have already said, Mr. Speaker, that if the North Vietnamese did not respond in the arbitrary period that we have described, hostilities could be resumed as before.

Mr. STRATTON. Would not the gentleman take the lead as eloquently as he is now taking it in saying that "We have had a fair trial. It is clear to me and to my colleagues that Hanoi is not interested in this and therefore we have no alternative but to pursue this as long and intensively as necessary in order to force them out of this and end their aggres-



sion rather than continuing to pretend that they really want to get out of it but just have not found the right formula."

Mr. MORSE of Massachusetts. I would agree with the gentleman but I point out that just as I cannot speak for the North Vietnamese, neither can the gentleman speak for them. I think we beg the question when we say obviously this will not be the answer.

Mr. STRATTON. I think I have said already that the gentleman's proposal I believe is an interesting one and it ought to be studied. It has some dangers but may be something that would be valuable. I do feel there ought to come some point, though, after we have tried all of the suggestions—and this is the 29th one—there ought to come some point at which we finally say, "There is not any point in suggesting these people really want to make peace. The only thing we can do is to continue to support our friends and make their aggression on the other side of the DMZ absolutely impossible."

Mr. MORSE of Massachusetts. In the diplomatic influence that would follow the first step of this plan it might be made abundantly clear.

Mr. STRATTON. I think at some point we ought to have a little unity in this country. I think the President has gone not only the first mile but has gone the second mile as well. There are people—and the gentleman is one of them—though who think he has not. It seems to me that we ought to be pretty clear as to where we stand, and if it is clear they do not want in North Vietnam to come to the conference table under any conditions except that they take everything on their terms, this country then ought to be unified in support of our objectives there.

Mr. MORSE of Massachusetts. I remind the gentleman that at the Manila conference the President of the United States made clear a principal objective of the United States was to achieve honorable and fair negotiations. We are united with the President of the United States in offering this plan to achieve that objective.

Mr. STRATTON. Absolutely, but it takes two to make peace, as the gentleman well knows.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I am glad to yield to the distinguished majority leader.

Mr. ALBERT. The gentleman has been very courteous and very liberal in yielding his time. The gentleman from New York suggested there have been some 28 proposals to which the United States has agreed but which have been rejected by Hanoi. Would the gentleman yield for the purpose of my reading those 28 proposals into the RECORD? It seems to me, if the gentleman has the time, it might be well to have this done at this point. Otherwise I will ask unanimous consent that they be made a part of the remarks which I made earlier in the day.

Mr. MORSE of Massachusetts. Could you do it in that way?

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that with my remarks

made earlier today I may include a list of the proposals referred to.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, I am grateful to the gentleman for making this inclusion which he just has, because, as I said, every one of us who are responsible for the proposal that I make at this moment are mindful and appreciative of the efforts that the President has made in this direction. However, I think the formula that we advance is sufficiently different from those advanced earlier to warrant full, careful, and deliberate study by those in responsibility in the executive branch.

Mr. RUMSFELD. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Illinois.

Mr. RUMSFELD. Mr. Speaker, I appreciate the gentleman yielding. I asked him to yield because I did want to comment on the statement by the gentleman from New York when he said that he hoped at some point we would have some unity in this country. I hope and trust that it was not a suggestion that by raising the proposal which the gentleman from Massachusetts raised he was working against this desirable factor of unity in this country. My problem with the statement of the gentleman from New York is that the President himself has said repeatedly he would welcome all suggestions and all ideas of people in this country of both political parties, as well as people from other nations. He has put out this request. The gentleman from Massachusetts, I think, is being useful, exceedingly useful, by contributing to the dialog on Vietnam, by discussing this subject responsibly and by making recommendations and suggestions. I think such a dialog is a healthy thing in a free country.

And, I might say further, that if, in fact, the conflict in Southeast Asia—and I mean all Southeast Asia, as well as Vietnam—is to be a long one, as has been repeatedly said by our leaders within the last 12 months, but was less frequently said in the first 3 years—if it is to be a long and expensive war and if it is to be painful, as indeed it is, then the people of this country can understand it and support it to the extent it merits support, and participate in their roles of helping to guide our Government only to the extent that there has been a dialog and that there is a full understanding of the problems and the nature of the pressures which we face on this situation.

Therefore, Mr. Speaker, I congratulate the distinguished gentleman from Massachusetts [Mr. MORSE] for contributing to this dialog. I certainly would not want the RECORD to suggest that he or his colleagues are doing anything to create disunity in this country. On the contrary, it is my opinion that they are serving a very useful purpose.

Mr. STRATTON. Mr. Speaker, will the gentleman from Massachusetts yield to me at this point in order to respond to

the gentleman from Illinois [Mr. RUMSFELD]?

Mr. MORSE of Massachusetts. I yield further to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I think it was quite clear in my remarks in the RECORD and in my remarks to the gentleman from Massachusetts that I was commending the gentleman for this proposal and stated that I thought it was a very interesting one and one that deserves deep consideration.

Mr. Speaker, I know that the gentleman from Illinois [Mr. RUMSFELD] is well aware of the fact that this country is not united in its support of the Vietnam commitment. And, this has concerned me very deeply, because there is a great gap between the commitment of the men on the fighting lines in Vietnam whom I have seen and whom I am sure the distinguished gentleman from Illinois [Mr. RUMSFELD] has seen, and the commitment of the people back here in this country.

I was saying and suggesting to the gentleman from Massachusetts [Mr. MORSE] that his is a very interesting suggestion. However, following out his suggestion, and if it does not produce any results, would the gentleman feel we might be a little bit closer toward the goal of unity in this country in recognizing that Hanoi does not want peace and that the only way out of this thing is to continue to push the war until they are no longer able to commit aggression in South Vietnam?

That, I think, is what we are working toward and looking for.

Mr. Speaker, I was not suggesting that the gentleman from Massachusetts was contributing to disunity. I was thinking that, as a result of his proposal, perhaps we might be at least a little closer to unity on the subject.

Mr. RUMSFELD. Mr. Speaker, will the gentleman yield further?

Mr. MORSE of Massachusetts. I yield further to the gentleman from Illinois.

Mr. RUMSFELD. I see. The point I think that I feel so strongly about is the fact that certain people of this country in order for them to support something requires that there is an understanding of it. I have not been totally satisfied with the information policies of this administration with respect to the war in Vietnam and with respect to our activities in Southeast Asia.

I am not saying merely that there has been news manipulation. I am going beyond this. I feel that there is an affirmative responsibility on the part of the administration to do what they have increasingly done in the last few months, namely, to develop within this Nation and the free world a better understanding of what the pressures are as well as the fact that they will not be quickly resolved with the use of massed armies across the borders, as in World War I and II, and to develop an understanding of the nature of this operation. Only with this kind of information and understanding will this country have the kind of unity which the gentleman from New York is so earnestly seeking.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Speaker, I thank the gentleman from Massachusetts for yielding to me at this time and I wish to commend the gentleman from Massachusetts [Mr. MORSE] as well as the gentlemen from the other side of the aisle for what I think has been a very helpful dialog.

However, may I make a comment with reference to a remark which was made by the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT]. The gentleman asked what happened in the last days or the last weeks or months in Hanoi that might lead us to think that things have changed and that they might listen now.

As I say, we do not know what has happened here, but unless we are prepared to say that just because a thing has been tried once, or because something has been tried once and it brought forth no response, that we should not pursue it further. I believe we should continue to try it.

As the gentleman from Illinois pointed out just a moment or so ago, the President himself has asked that we, the people, and we, the Members of Congress, come forth with all of our best thinking on this subject.

Mr. Speaker, I commend the gentleman from Massachusetts for the creative thinking which has gone into this proposal as something which indeed has not been tried, but which is something that may open up the door and produce that which we have been constantly seeking, so that Hanoi will respond to something which it has rejected before, namely, sitting down under this new proposal which, as stated, has the great advantage of not risking the lives of our boys over in Vietnam, and that under this new proposal something may indeed spark a reply from Hanoi and lead to a very earnest and real discussion of the proposal of the gentleman from Massachusetts over prior plans.

When ideas have been put forth before to stop the bombing across the border in North Vietnam, we know and our military leaders have said that it produces the great risk that we would permit the floodgates to open so that supplies will flow to the south, and every time this happens we increase the loss of life of our men in the south.

However, under this plan we would not open those floodgates, there would still be a constriction of the funnel that leads into the south, but certainly as a result of this direct stand we will be asking the North Vietnamese to show whether or not they are interested—we do not know whether in truth they are interested in any meaningful negotiations—but the hope of this plan is that we will take a direct action without running great risk to our men in the south. We are calling for an affirmative declaration that the North Vietnamese are interested, or whether they are not interested, and we can then proceed to take future actions on the basis of the measures they have taken.

Mr. Speaker, I thank the gentleman from Massachusetts for yielding to me.

Mr. MORSE of Massachusetts. Mr. Speaker, I thank the gentleman from Oregon for his comments, and I also acknowledge the important contributions he has made in the development of the program which is the subject of our discussion this afternoon.

Mr. SCHWEIKER. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. SCHWEIKER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding, and I wish to congratulate him on the excellent leadership in the work that he has done in presenting this proposal to us.

Mr. Speaker, today our Nation grinds through its longest war.

It is a war which has escalated from a small force of 600 American technicians to over 500,000 American fighting men. And more requested.

It is a war in which more than 11,000 Americans have been killed and over 65,000 wounded.

It is a war in which we are spending \$22 billion yearly—almost one-sixth of our national budget—with another increase in taxes threatened.

It is a limited war to gain limited objectives.

But it is a war with which Americans are growing increasingly impatient and frustrated because of its seeming endlessness, its enormous cost, and its tragic human consequences.

The time has come when we must ask whether we are following the best road towards peace.

I would question today whether everything possible is being done to seek settlement of the war.

I suggest that there is available to us a more promising road towards peace than any of the paths which the administration or certain "hawks" or "doves" would have us follow.

I propose today, as a plan for peace in Vietnam, that this Nation initiate a policy of mutual step-by-step deescalation with Hanoi.

The outlines of one variation of this policy are these:

The United States, having proposed the plan to Hanoi through private diplomatic channels, would halt all bombing north of the 21st parallel in North Vietnam for 60 days.

If within the first 60-day standby period the North Vietnamese had taken no such step, the plan would end and the bombing would be resumed.

The United States would gradually, in five successive steps, cease all bombing of North Vietnam if, after each 60-day step, the North Vietnamese took a similar deescalation step.

The measurable and equivalent deescalation steps which the North Vietnamese could take without putting themselves at a distinct military disadvantage would include: the stopping of all terrorist activities in specific areas of South Vietnam; the stopping of shipments to and from specific military supply depots in the southern part of North Vietnam; the barricading and abandonment of specific supply and infiltration routes along the Ho Chi Minh Trail; and

the withdrawal of Mig fighters to distant bases in northern North Vietnam.

I suggest that this proposal for a policy of mutual step-by-step deescalation is both positive and practical.

It enhances the chances for peace through negotiations in a limited war and it minimizes military risks.

It avoids the danger of the course advocated by those "hawks" who would escalate the war, because it obviously does not risk expansion of the limited war to total war.

It avoids the dangers of the naive course advocated by those "doves" who would unilaterally cease fire and retreat from the countryside, because it does not risk significant erosion of our current military advantage in Vietnam.

Neither side would be placed at a distinct military disadvantage because both sides would be required to mutually deescalate.

I suggest that this step-by-step deescalation plan would induce an increasing atmosphere of trust—a necessary prerequisite to meaningful negotiations.

It is a series of small steps, each involving relatively little military risk, and each of which builds confidence in the genuine sincerity of each of the combatants.

The plan would not ask either side to "lose face." It is a plan which gives each side the opportunity to claim justifiably that its initiative promoted peace and served its national objectives.

I cannot guarantee that this policy of mutual step-by-step deescalation will bring peace. But I do believe strongly that it holds tremendous promise.

I do believe that it holds far greater promise of peace than either the administration's stand-pat policy or the alternatives suggested by either the "hawks" or the "doves."

I would urge today most sincerely that the President immediately examine in good faith this plan for peace in Vietnam through initiation by the United States of a policy of mutual step-by-step deescalation.

For such a plan, I am confident, could move us forward to fruitful negotiation and peace.

It is time, now, to become more aggressive in our search for peaceful settlement through negotiations.

It is time, now, to persuade the administration to pursue peace through negotiations with the same intensity that our valiant fighting men resist aggression.

But it is not time, now or ever, to suggest, as some have done, that without any indication of good faith from the communists, we should unilaterally cease fire throughout Vietnam and hope the Communists do the same, firing only if fired upon.

These same critics suggest that we abandon the policy of searching out and destroying Communist forces in South Vietnam.

They suggest that we retreat in Vietnam, shoring ourselves up in what are described as "easily defensible positions" and "sallying out perhaps from time to time to protect the perimeter from mortar fire." I would argue that these critics



show their naive misunderstanding of world affairs.

I suggest to you that theirs is a call for retreat from reason.

In effect, they ask that the United States and South Vietnamese forces cease fire, abandon the countryside and the peasants to the Communists, and retreat to the more easily defended cities.

I submit to you that such suggestions—made in the name of promoting peace—are utterly unrealistic when we face the hard, cold facts, something that proponents of these suggestions are either unwilling or unable to do.

To follow such suggestions at present would be to deal a devastating blow to the chances of achieving a lasting world peace.

To follow such suggestions at present would be tantamount to surrender and withdrawal of U.S. forces from Vietnam—a tragic defeat for the free world.

Those who make such suggestions at times appear as if they believe they alone seek peace. They have no monopoly on peace. Their path is not the only road, and certainly not the best road towards peace.

Let us not forget the lesson of Munich—how Hitler grabbed the Rhineland, Austria, and Czechoslovakia.

Let us not forget that to yield to aggression today is to invite wider wars tomorrow.

There is an important role to be played today by informed critics willing to face facts and shed any naive dreams about the state of the world.

A constructive critic might reasonably ask, as I have today, whether everything possible is being done to seek settlement of the war short of total military victory. Are efforts really being made to reveal our limited objectives by the offering of new political and military inducements?

A constructive critic today might reasonably ask how the administration can justify the escalation of recent months when it rejected that same escalation 2 years ago as being out of bounds.

A constructive critic today might reasonably ask whether the administration has given good faith consideration to proposals such as those for an All-Asian Peace Conference.

A constructive critic today might reasonably ask why the American people long ago were not leveled with and told frankly of the long range implications of this conflict—why they were led down the primrose path and given only small doses of bad news in sugar-coated pills.

But no reasonable critic willing to face the hard, cold facts would naively insist that this is a civil war, or call on the United States and South Vietnamese forces to abandon the countryside and peasants to Communist terror and subversion.

It makes far more sense to pursue peace by immediately initiating a policy of mutual step-by-step deescalation.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I congratulate the gentleman from Massa-

chusetts for the initiative he has started in what I hope will be continuing dialog on the conduct of the war in Vietnam, and the military and diplomatic policies involved there.

I also believe we are all indebted to the leadership of the House, the attention of our distinguished Speaker, and the participation of the majority leader in this dialog.

I have felt for months that this House of Representatives has really fallen down on its constitutional responsibility in the field of warmaking. We have yielded this to far too great an extent to the President. I am very much heartened by what I have heard this afternoon, and I hope it will be followed on subsequent days by further exploration of new ideas, new initiatives, new possible policies to bring this conflict to a satisfactory conclusion.

Mr. MORSE of Massachusetts. I thank the gentleman from Illinois for his comments.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I do not want this debate to close without paying a compliment to my colleague from Massachusetts, and to commend him for the liberality he has used in giving time to the opposition, or at least to this side, as well as the other side.

I believe that the gentleman should be commended for his attitude in this regard.

Mr. MORSE of Massachusetts. Mr. Speaker, I thank my good friend from Illinois.

I would also like at this time to call attention to the contribution the distinguished gentleman from Pennsylvania has made in the development, formulation, and exposition of this proposal which we today have made.

Mr. Speaker, I will just take a few more moments, and then I will conclude.

I would like to point out the distinction between what we are proposing here and what has been the policy of the administration. As I said, it seems to me the administration has been overly inflexible, and let me, just as evidence of this fact, read from the President's well-publicized letter to Ho Chi Minh of February 2, 1967.

At that time the President of the United States said:

I am prepared to order a cessation of bombing against your country and stop further augmentation of the United States forces in South Viet Nam as soon as I am assured that infiltration into South Viet Nam by land or by sea has stopped.

Mr. Speaker, in my view and in our view, the United States by this proposal offers too much and asks too much.

It seems to me if we can do it step by step as we here propose, we are adopting a new approach which hopefully will lead to negotiations that we all hope and trust will lead to an honorable conclusion of hostilities.

Mr. PRICE of Texas. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman.

Mr. PRICE of Texas. Mr. Speaker, I want to congratulate the gentleman from Massachusetts for taking this time to discuss this problem on the floor of the House. I think it is time that we spend many more hours on this matter of the war in Vietnam and for the entire membership of the House of Representatives to be informed better than we are today about what is going on in Vietnam.

As a freshman Member of the Congress, I am appalled at the lack of knowledge when we try to find out what is going on in Vietnam. I have attended a few of these briefings as the gentleman has and then after the briefing you can go out and read the very same thing in the newspaper.

However, I do want to take issue with the gentleman on the position that he takes. Having been a jet fighter pilot in the Korean war, I feel that the gentleman's proposal would actually cost us more lives. I have never been an advocate of deescalation in this sort of situation. However, I do want to congratulate the gentleman for this colloquy here today and I hope it will stimulate more and more talks about the war in Vietnam so we can try to bring it to an honorable close.

Mr. MORSE of Massachusetts. I thank the distinguished gentleman from Texas and I certainly respect his point of view in this regard.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MORSE of Massachusetts. I yield to the gentleman.

Mr. ALBERT. I know the gentleman is sincere and is making a real effort to be helpful, but it seems to me the gentleman is trying to blow out a forest fire with his breath.

The SPEAKER pro tempore (Mr. PATTEN). The time of the gentleman from Massachusetts [Mr. MORSE] has expired.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts [Mr. MORSE] has been so generous in yielding of his time and since the gentleman indicates that he would like a few more minutes, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MORSE of Massachusetts. I thank the distinguished Speaker of the House.

Mr. Speaker, let me just say in closing, that we conscientiously believe that what we have proposed here today is something that is worthy of consideration at the very top level of the executive branch of our Government.

We think it does provide for a significant U.S. initiative at minimum military risk.

We think what we propose will stimulate the other side to make the kind of response that we would like to see.

There is no panacea for Vietnam and the proposal offered here is certainly not put forth as a panacea. Without doubt, it can be improved but we honestly believe that the best chance for peace lies not

in giant power and giant concessions, but that it lies in small steps taken quietly, steps that make the position of each side credible to the other side. This in our view is now the task of responsible diplomacy in Vietnam.

#### POLITICAL PERVERSION OF SCHOLARSHIP

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. FINDLEY] is recognized for 60 minutes.

Mr. FINDLEY. Mr. Speaker, Agriculture Secretary Orville L. Freeman is guilty of political perversion of agricultural scholarship and his Director of Agricultural Economics, Dr. Walter W. Wilcox, of poor scholarship.

I base these charges on personal correspondence just completed with agricultural economists in nine universities.

My correspondence and study reveal what I consider to be extensive misrepresentation of facts, conclusions for which assumptions and computations could not be furnished, and—worst of all—a shocking abuse and misuse of scholarship as symbolized in the highly respected term—land grant universities.

It is clear that Secretary Freeman in testimony April 3 before the Senate Subcommittee on Agricultural Appropriations, and in speeches April 19, in Hutchinson, Kans., and Ames, Iowa, and on April 20, in Decatur, Ind., stooped to political perversion of agricultural scholarship.

In his testimony and speeches, Freeman has contended that the scholars agreed with his prediction that legislation—H.R. 8001—proposed by myself and 19 other Congressmen would cut farm income by one-third.

The other members who have introduced similar legislation are TOM CURTIS, FRANK CLARK, CRAIG HOSMER, JIM CLEVELAND, CHARLES TEAGUE, SILVIO CONTE, FERNAND ST GERMAIN, LAWRENCE WILKINS, GEORGE RHODES, ALEXANDER PIRNIE, WILLIAM ROTH, HAROLD DONOHUE, RICHARD OTTINGER, JAMES HARVEY, THOMAS O'NEILL, CARLETON KING, CHARLES MATHIAS, JR., JOHN DENT, and LOUIS WYMAN.

Detailed computations to support the prediction did not exist.

The conclusions were not presented generally to agricultural economists at land grant universities for review, and therefore general endorsement by them did not occur. Quoting from my letter:

The conclusions were not even endorsed by the agricultural economists to whom you privately showed a copy of the prediction study at the Iowa State University luncheon meeting February 1 in Chicago. From our correspondence and communication with your office it is obvious this event formed the principal if not the entire basis for comments made subsequently and erroneously by Mr. Freeman to the effect that agricultural economists from nine land grant universities had endorsed the study. Although several indicated general support, even in this carefully selected group, the exceptions and sharp reservations were notable.

The "no program" policy proposal which you and Mr. Freeman said would cut farm income one third was actually a non-existent "straw man." No legislation is now be-

fore the Congress which could reasonably be called a "no program" approach.

Here is the text of my letter dated today summarizing my correspondence:

JULY 10, 1967.

Dr. WALTER W. WILCOX,  
Director, Agricultural Economics, Department of Agriculture, Office of the Secretary, Washington, D.C.

DEAR DR. WILCOX: Subsequent to our exchange of letters I have engaged in extensive study and correspondence in regard to your document entitled "Farm Program Needs 1968-1970."

I have sought to determine the assumptions and computations, if any, on which it was based; the accuracy of its analysis; the degree to which it reflected the views of the economists from several leading universities with whom you consulted; and the degree to which Agricultural Secretary Orville L. Freeman has been objective and fair-minded in recent speeches during which he discussed this document in relationship with legislation introduced by myself (H.R. 8001) and 19 other Members of Congress.

My correspondence and study are now complete, and the results are most disturbing. They reveal what I consider to be extensive misrepresentation of facts, conclusions for which assumptions and computations could not be furnished, and—worst of all—a shocking abuse and misuse of scholarship as symbolized in the highly-respected term—land-grant universities.

It is clear that Secretary Freeman, in testimony April 3 before the Senate Subcommittee on Agricultural Appropriations, and in speeches April 19 in Hutchinson, Kansas and Ames, Iowa, and on April 20 in Decatur, Indiana stooped to political perversion of agricultural scholarship.

I realize that you cannot always control the use of a document like this, even though prepared under your direction, and perhaps circumstances may make it impossible for you even to control completely its contents. Therefore, I make no attempt to hold you personally accountable for it in all its detail, nor do I blame you for the unfair manner in which this document has been converted to political purposes by Mr. Freeman, or by others.

But I do feel compelled to give you the opportunity to help set the record straight regarding the document itself and the official comments made about it.

In the speeches mentioned above, as officially reported in USDA release 1226-67, No. 4608 as released by the Office of the Secretary, Mr. Freeman is quoted as stating:

"There are three basic options—three alternatives—before us. One is to swap the present voluntary programs for no program at all. Pending in Congress right now is a bill sponsored by the farm organization I mentioned previously. I point out to you that studies by our Department economists indicate that the 'no-program' approach will cut farm income one-third below present levels. I point out further that this conclusion is concurred in by experts from nine Land-Grant Universities."

When I read this astounding paragraph, I telephoned your office and asked for the detailed assumptions and computations upon which Mr. Freeman based his forecast of farm-income reduction. My phone conversation confirmed that the "no-program" approach mentioned by Mr. Freeman was the bill supported by the American Farm Bureau Federation and introduced by myself, Rep. Thomas B. Curtis (Mo.) and others. Your office supplied me with a copy of the document "Farm Program Needs 1968-1970" as being the "studies" to which Mr. Freeman referred. The document contained the following paragraph:

"In preparing this report, analysts in the Department of Agriculture benefitted from

the advice and counsel of nationally recognized agricultural economists at Iowa State University, University of Minnesota, Kansas State University, Michigan State University, University of Wisconsin, Ohio State University, North Carolina State University, Harvard University, and Stanford University."

The universities total nine and presumably are the "nine Land-Grant Universities" to which Mr. Freeman referred, although neither Harvard nor Stanford is so classified.

I examined the document carefully and found that it did not set forth to my satisfaction assumptions and computations which would reasonably support the income forecast. I expressed my dissatisfaction to your office, requesting all available additional detail, and had the following exchange of correspondence with you:

"APRIL 27, 1967.

"DEAR MR. FINDLEY: The Department of Agriculture release, Farm Program Needs 1968-1970, constitutes a complete report of the study on that subject. The basic assumptions underlying the study are on page 2 of the release. Yields of feed grains, food grains, and cotton were assumed to increase by 2 to 3 percent per year. It is also assumed that all the price support features of the current annual adjustment programs would be discontinued along with the diversion features.

"The farm program needs study was largely based on an earlier study titled *A Look Ahead for Food and Agriculture* made in the Economic Research Service. A copy of that study and a statistical supplement is attached. The earlier study contains a more complete discussion of the assumptions and trends. The earlier study, however, concentrated on the productive capacity of agriculture 10 to 15 years from now with supports continuing at current levels. As such, it does not convey the near term impact of terminating all aspects of the annual adjustment programs. The farm program needs study is an extrapolation of the earlier study with emphasis on the near term impact of eliminating the price support as well as the diversion features of the current annual adjustment programs.

"An earlier draft of the program needs paper was reviewed by economists of the land grant colleges and their comments were received at a luncheon in Chicago on February 1. Additional comments from three of the economists were received by letter. The following are some of the comments contained in their letters.

"I certainly agree that our agricultural economy will continue to face the problem of excess capacity during the next several years."

"The area in which I found myself agreeing most readily was that relating to field crops. . . . On the matter of livestock (top of page 5) I was left a little unsure about predicted behavior of the aggregate figure because of the diverse patterns of dairy cattle, beef cattle, hogs and poultry. I think the expected movement through 1970 may not be far off."

"I like the report very much but I do feel that the emphasis should be on the continued imbalances that will exist in our food and fiber system. . . . we also have the responsibility of maintaining minimum income standards in the farming segment. The end result is a stand-by type of program that would maintain the stability of the food and fiber system of the U.S. and at the same time maintain the type of income levels that currently exist. I arrive at the same conclusion that you do that the programs as such cannot now be terminated. . . . I guess the only difference is one of emphasis . . ."

"As purchased inputs become more important to the farming segment the stability of that purchasing power becomes more important to those firms supplying the inputs such as farm machinery, fertil-



izer, pesticide companies, etc. Undoubtedly, those supplying farm inputs would welcome a program of food and fiber stability just as much as the farmer would.'

"Sincerely yours,

"WALTER W. WILCOX,  
"Director, Agricultural Economics."

"MAY 2, 1967.

"DEAR DR. WILCOX: Thank you for being so helpful with your letter and enclosures of April 27. You mentioned a luncheon meeting in Chicago on February 1 attended by economists of the land grant colleges. You also quote briefly from letters written to you subsequently by three of the economists.

"May I have a list of the names of the people and their capacities who attended the February 1 meeting? May I also have photo copies of the letters written by the three economists mentioned in your letter from which excerpts were quoted?

"In addition if a summary of the discussion which ensued in connection with the February 1 luncheon in Chicago was placed on paper I would value very highly a copy of it.

"In the 'summary' of March, 1967, which discusses farm program needs 1968-1970, on the top of page 3 is the sentence which begins 'With no annual adjustment programs and no commodity loans during the 1968-1970 period.' I assume from the construction of this sentence that the estimates assume that no commodity loans would be made either from public or private sources. Am I correct in this assumption?

"Thank you for giving this your attention.

"Inasmuch as I am getting inquiries concerning Secretary Freeman's speeches in which he refers to the effect of the 'no program' approach I have urgent need for the information requested in this letter.

"Sincerely yours,

"PAUL FINDLEY,  
"Representative in Congress."

"MAY 9, 1967.

"DEAR MR. FINDLEY: This is in reply to your letter of May 2, 1967. The sentence on the top of page 3 which you quoted referred only to government loans. It was assumed that loans would be available from private sources on the usual terms.

"The college professors with whom I counseled at a luncheon meeting in Chicago are as follows:

"Earl O. Heady, Distinguished Professor, Iowa State University, Ames Iowa

"R. J. Penn, Professor, University of Wisconsin, Madison, Wisconsin

"James G. Maddox, Professor, North Carolina State University, Raleigh, North Carolina

"Luther Tweeten, Visiting Professor, Stanford University, Palo Alto, California

"Dale Hathaway, Professor, Michigan State University, East Lansing, Michigan

"H. C. Williams, Professor, Ohio State University, Columbus, Ohio

"Any notes made by the individuals on the draft they reviewed have been discarded.

"The excerpts in my last letter were taken from letters received from:

"Vernon Ruttan, Head, Department of Agricultural Economics, University of Minnesota, St. Paul, Minnesota

"John Nordin, Head, Department of Economics, College of Arts and Science, Kansas State University, Manhattan, Kansas

"Ray Goldberg, Graduate School of Business Administration, Harvard University, Boston, Massachusetts

"Perhaps it would be appropriate for you to write them if you wish rather than for me to make photo copies of their letters.

"Sincerely yours,

"WALTER W. WILCOX,  
"Director, Agricultural Economics."

Your letter of May 9 listed, in total, nine agricultural economists, each serving on the

staff of a different one of the listed universities.

Accordingly I wrote to each of them as follows:

DEAR —: Dr. Walter W. Wilcox, Director, Agricultural Economics Department, Department of Agriculture, tells me that you were among the college professors with whom he counseled at a luncheon meeting February 1 in Chicago in regard to a departmental study entitled "Farm Program Needs 1968-1970."

"On April 20, Secretary of Agriculture Orville L. Freeman in regional farm policy conferences in the Midwest made the following statement:

"Pending in Congress right now is a bill sponsored by the farm organization I mentioned previously. I point out to you that studies by our Department economists indicate that the no-program approach will cut farm income one-third below present levels. I point out further that this conclusion is concurred in by experts from nine land-grant universities."

"I have verified with the Department of Agriculture that a bill I have introduced, H.R. 8001, which is supported by the American Farm Bureau Federation and is almost identical with similar bills introduced by Representatives Curtis of Missouri and Clark of Pennsylvania, is the proposal to which the Secretary referred as a "no-program" approach which will cut farm income one-third below present levels.

"Under the circumstances you can understand my interest in determining in as great detail as possible the reasoning, assumptions, and computations through which the one-third figure was determined.

"As you attended the February 1 luncheon to which Dr. Wilcox referred, I would appreciate any comments you may have about the study which was the subject of discussion. I would appreciate very much having a copy of any summaries of the discussion or your own personal evaluation of the study which developed during or subsequent to the luncheon.

"In seeking your cooperation, I assure you that I think it entirely proper for economists of the leading colleges and universities of the United States to cooperate fully with Secretary Freeman and with other government officials in evaluating proposed programs. As you may know, I served six years on the Committee on Agriculture in the U.S. House of Representatives and because of this background continue to have a keen interest in the future of American agriculture.

"Thanks for your cooperation.

"Sincerely yours,

"PAUL FINDLEY,  
"Representative in Congress."

I also wrote to the deans of the colleges of agriculture where such exist within the nine universities. My letter of inquiry to the deans was as follows:

DEAR DEAN —: In a series of speeches, April 19-20, 1967 in Kansas, Iowa and Indiana, Secretary of Agriculture Orville L. Freeman included the following paragraph:

"There are three basic options—three alternatives—before us. One is to swap the present voluntary programs for no program at all. Pending in Congress right now is a bill sponsored by the farm organization I mentioned previously. I point out to you that studies by our department economists indicate that a "no program" approach will cut farm income one-third below present levels. I point out further that this conclusion is concurred in by experts from 9 land grant universities."

"Upon inquiry I learned that your school is among the "9 land grant universities" mentioned by Secretary Freeman.

"Correspondence with Dr. Walter Wilcox, Director, Agricultural Research, Department of Agriculture, discloses that on February 1

in Chicago a luncheon meeting was held at which farm program needs for 1968-70 were discussed in some detail. I enclose a copy of a letter dated April 27 which I received from Dr. Wilcox in which he refers to this luncheon and quotes briefly from unidentified agricultural economists who attended.

"I have also verified with the Department of Agriculture that a bill I have introduced, H.R. 8001, which is supported by the American Farm Bureau Federation and is almost identical with similar bills introduced by Representatives Curtis of Missouri and Clark of Pennsylvania, is the proposal to which the Secretary referred as a "no program" approach which will cut farm income one-third below present levels.

"Under the circumstances you can understand my interest in determining in as great detail as possible the reasoning, assumptions, and computations through which the one-third figure was determined.

"Accordingly I would like to know if you or any agricultural economists on your staff actually concurred in the conclusion on farm income reduction as reported by Secretary Freeman. If so I would value very highly having a copy of any written material which may have been prepared in letter form or otherwise bearing upon this conclusion.

"If you or any members of your staff have had the opportunity to examine the H.R. 8001 or similar bills whether in connection with Secretary Freeman's study project or not I would again very much appreciate having a copy of such statements.

"In closing may I assure you that my only purpose in writing is to have the benefit of the thinking of you and agricultural economists of your staff. I think it is entirely proper for agricultural economists of the leading colleges and universities of the United States to cooperate with Secretary Freeman and with other government officials in evaluating proposed programs.

"As you may know, I served for six years on the Committee on Agriculture in the U.S. House of Representatives and because of this background continue to have a keen interest in the future of American agriculture.

"Thanks for your cooperation.

"Sincerely yours,

"PAUL FINDLEY,  
"Representative in Congress."

Let me outline briefly the facts and conclusions I have drawn from the various documents and correspondence.

1. The April 3 testimony and the April 19-20 speeches of Secretary Freeman pleaded the case for maintaining existing "commodity programs for grain" and denounced those who sought to change his programs. Your office confirmed that in these statements he was attacking legislation introduced by myself (H.R. 8001) and 19 other Congressmen. The document you prepared for the Secretary, and which your office stated he used as the basis for his attacks, actually predicted the possible effects of eliminating current support, payments, and diversion programs for wheat, feed grains and cotton.

It was shocking to discover that the Secretary had based his plea for maintenance of existing "grain programs" alone on a study which in fact included the "effects" of abolishing the cotton program as well as those for grain.

What serious legislative proposals motivated your study and the attendant remarks about a so-called "no program" approach by the Secretary?

While your office confirmed he was referring to the bills of my colleagues and myself, your study can, in no way, be considered an analysis of any of the 20 bills, for several reasons.

First, the inclusion of cotton increased substantially the immediate reduction in government payments (thus immediate income). That also increased substantially the diverted acreage which would most likely

be shifted into soybeans and other feed grains.

The bias this introduced into Mr. Freeman's interpretation of your study is substantial. Cotton is in a terrible mess, brought on by unsound domestic and international government policies, and that is why it was not included in the bills. It must be dealt with separately so that commercial wheat and feed grain producers are not required to bear cotton's adjustment burden.

Second, your May 9 letter, saying "it was assumed loans would be available from private sources on the usual terms," completely ignores the impact of the loan insurance feature of my bill. The 90 percent insured loan would substantially raise the level of loans made to the individual producer by reducing risk to the lender. Reduction of risk would also reduce interest rates on these loans to farmers. To suggest otherwise is to imply that the FHA Home Improvement, Farmers Home, Veterans' Administration and other insurance or guarantee programs have no impact on the housing and home improvement money markets.

Third, the removal of the nonrecourse loan program imparts a degree of risk to the producer in his planting plans and, in the full context of managerial decisions, this risk acts to moderate any production expansion. My bill would remove the threat of CCC dumping such as occurred in 1965 and 1966 and thus would remove a substantial depressant to market prices. The various features of my bill would facilitate orderly marketing by giving farmers the means to hold their commodities, strengthen prices by removing the threats of dumping and gluts at harvest time. It would force the government to purchase aid-program supplies directly from the market.

Fourth, the longterm effect of my program would be to accelerate the healthy trend toward contract farming in wheat and feed grains. Under it production would be to fill pre-production contracts. Control of farm production would be placed in the hands of producers responding to consumer demands. Consumers of course would include the government which itself could contract for milk, grain, or other program needs, foreign or domestic.

2. Your letter of April 27 states your study was based on the document *A Look Ahead for Food and Agriculture*. In it supports were assumed to continue "at current levels." I note on page 2 of this document it says: "Although policy assumptions are difficult to specify in long-run appraisals, the projections imply some type of program to stabilize farm prices and income."

Dr. Wilcox, in fairness you must admit that your assumption of "current levels" is only one possibility consistent with the "Look Ahead" document. An increase in the attractiveness of the voluntary long-term land retirement system (which would remain in effect under my bill) is a possibility that is also consistent with it.

The increase in attractiveness would be possible in both relative and absolute terms. My bill increases the relative attractiveness of long-run retirement by removing the more costly and damaging short-run diversion programs. Current commodity programs place a premium on short run diversion through heavy cash payments for diversion itself, plus higher supports on production from remaining acreage.

The current program not only encourages the shift of resources to remaining acreage, it also finances virtually riskless expansion of total resources and thus total productive capacity on the remaining acres! If I may say so, this document shows rather poor scholarship. Its conclusions derive heavily from a glaring distortion of the "Look Ahead" study, and it provides no valid basis for condemning either my bill or those of my colleagues.

3. My correspondence directly with the deans and professors does not substantiate the claim of support indicated by the study and by Secretary Freeman. Let me quote directly from several of the replies I received:

Reply A: "I raised several questions regarding the draft I saw. My plane schedule required that I leave prior to the luncheon mentioned by Dr. Wilcox in his letter. Therefore, I did not benefit from the discussion by other individuals who had also read the document, nor have I written any letters regarding the document. I was somewhat surprised, therefore, to find myself listed as one of those who implicitly endorsed the conclusions that were presented in the final report."

Reply B: "Individual faculty members are, of course, free to express their personal views about public issues in which they are interested as private citizens. Professor \_\_\_\_\_ informs me that the extent of his participation in the matters about which you inquired in your letter of May 3 was to take part in the luncheon discussion of a draft of a statement which was apparently later issued by the U.S. Department of Agriculture as the release entitled 'Farm Program Needs 1968-70'."

Reply C: "The meeting (February 1 in Chicago) was called by Iowa State University to review manuscripts that might be included in a book to be published on agricultural policy. . . .

"Walter Wilcox was at the meeting and although not a formal part of the session, he gave Prof. \_\_\_\_\_ a chance to read and privately comment on a tentative confidential statement on farm program needs 1968-70. Whether the final statement included any of Prof. \_\_\_\_\_'s verbal comments is not known."

Reply D: "In addition to Dean \_\_\_\_\_'s comments, I might add that on looking informally at the confidential document on February 1, I suggested that increased agricultural production would not be as rapid nor as easy to get as most economists were indicating, particularly in the livestock sectors. . . ."

Reply E: "In conclusion, the USDA evaluation of economic conditions for 1968-70 seems reasonable, but is only a crude forecast because of uncertainties which plague any prediction. It should not be interpreted to mean that farm prices must be supported above free market equilibrium levels. But it does mean that a trend toward a free market must be accompanied by an adequate transition program, and must consider the unstable nature of farm production and marketing, and the advantages of economic stability for farmers."

Few people would dispute the need for a transitional alternative in moving ahead to a freer market system. It is precisely because of this need that my bill (H.R. 8001), and those of my colleagues, deals only with wheat and feed grains, with provision for using insured loans, freezing CCC stocks, offsetting CCC sales by equivalent purchases, purchasing aid supply needs directly from the market, and increasing greatly the relative attractiveness of long-run land retirement.

None of these features were analyzed in your study. Indeed they were totally ignored by you and Secretary Freeman. Yet they are essential features of the proposal the Secretary condemned so summarily and without the slightest analysis.

To label our proposed legislation as a "no program" approach is not merely inaccurate. It is a gross distortion of the facts.

Finally, the misuse of our nation's scholars for purely political purposes is shocking. It is disturbing to find that a Cabinet Officer has such a poor regard for our intellectual community.

In view of your long and prominent career in agricultural economics, I am confident you will wish to acknowledge frankly that:

1. Detailed computations to support the "Needs" document's conclusions as to projected farm income under programs proposed by myself and 19 colleagues (and to which the Secretary referred directly in his invective) did not exist, and therefore could not be furnished in response to my request.

2. The conclusions were not presented generally to agricultural economists at land-grant universities for review, and therefore general endorsement by them did not occur.

3. The conclusions were not even endorsed by the agricultural economists to whom you privately showed a copy of the study at the Iowa State University luncheon meeting February 1 in Chicago. From our correspondence and communication with your office it is obvious this event formed the principal if not the entire basis for comments made subsequently and erroneously by Mr. Freeman to the effect that agricultural economists from "9 land-grant universities" had endorsed the study. Although several indicated general support, even in this carefully-selected group, the exceptions and sharp reservations were notable.

4. The "no program" policy proposal which you and Mr. Freeman said would cut farm income one-third was actually a non-existent "straw man." No legislation is now before the Congress which could reasonably be called a "no program" approach. Nor has such legislation ever been proposed or supported by any farm organization of national prominence, at least not within the past 30 years.

5. The legislation I have introduced (H.R. 8001), which is supported by the American Farm Bureau Federation, deals only with wheat and feed grains. Programs would be left intact for cotton, tobacco, rice, peanuts, sugar, wool, and other commodities under discretionary price support programs—each of which involves either extensive price support payments and/or payments for land retirement. My bill would also leave in full effect the Cropland Adjustment Program and would establish insured loans for wheat and feed grain producers, all of which would work to strengthen farm income.

With deep regret I conclude from this material that the remarks of the Secretary were not directed to sound long-run policy in the interest of a healthy agriculture. Rather they were intended to discredit unfairly a bill to return farm management to farmers, provide food supply at prices established at fair levels through the marketplace, and reduce significantly the tax cost of farm programs.

Sincerely yours,

PAUL FINDLEY,  
Representative in Congress.

#### COOK COUNTY, ILL., AGRICULTURAL PROFILE

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RUMSFELD. Mr. Speaker, on June 28 the gentleman from New York [Mr. RESNICK] made a statement on the floor—which appeared in the CONGRESSIONAL RECORD—in which he questioned the presence of an agricultural basis for the existence of the Cook County, Ill., Farm Bureau. In making this allegation, he said:



I seriously question how many farmers or people who have a major agricultural interest there are in the city of Chicago.

Apparently the gentleman from New York is not aware that Cook County and Chicago are not conterminous. That much of Cook County lies outside the city of Chicago is clearly indicated by the fact that the limits of the city of Chicago include only 143,488 acres of the 610,560 acres in Cook County. In other words, the city of Chicago comprises less than one-third of the land in Cook County. In fact, Cook County, my home county, has an active agricultural community. Since much of this farming activity is based in my district, the 13th District of Illinois, I thought it proper to set the record straight by including the following statement outlining the agricultural statistics for Cook County, Ill., as taken from the 1964 Census of Agriculture, the most recent data available:

**AGRICULTURAL PROFILE, COOK COUNTY, ILL.—  
1964 CENSUS OF AGRICULTURE—ALL DATA ARE  
FOR 1964**

**Farms—Number and size**

Number of farms.....	959
Lands in farms.....acres.....	100,849
Land in county.....do.....	610,560
Proportion of land in farms	percent..... 16.5

Average size of farm (county)	acres..... 105.2
Average size of farm (State).....do.....	225.5

**Land in farms and number of farms by size  
of farm**

Acres per farm	Number of farms each class	Total acres each class
Less than 10.....	230	754
10 to 49.....	231	5,383
50 to 69.....	57	3,338
70 to 99.....	89	7,309
100 to 139.....	105	12,333
140 to 179.....	73	11,474
180 to 219.....	43	8,446
220 to 259.....	27	6,315
260 to 499.....	73	24,032
500 to 999.....	28	17,885
1,000 to 1,999.....	3	3,580
2,000 or more.....	0	.....

**Farm investment**

Value of land and buildings per farm.....	\$146,810.00
Value of land and buildings per acre.....	1,450.39
Value per farm (State).....	80,894.00
Value per acre (State).....	356.94

**Equipment and facilities**

Item	Number on farms	Number of farms reporting items
Automobiles.....	1,328	876
Motortrucks.....	1,211	714
Tractors (other than garden).....	2,008	799
Garden tractors and motor tillers.....	551	363
Grain and bean combines.....	330	304
Pickup balers.....	214	213
Hay conditioners.....	55	55
Crop driers.....	29	23
Cornpickers.....	353	323
Field forage harvesters:		
Cylinder or flywheel.....	65	65
Flail.....	25	25
Telephone.....	(C)	905
Television set.....	(C)	853
Home freezer.....	(C)	593
Milking machine.....	(C)	51
Bulk milk tank.....	(C)	32

<sup>1</sup> Not reported in 1964 Census of Agriculture.

**Other production inputs, cost**

Item	Dollar value	Number of farms using items
Livestock and poultry feed.....	\$551,044	323
Livestock and poultry purchased.....	761,902	290
Seeds, bulbs, plants, and trees.....	1,314,830	810
Fertilizer.....	563,214	686
Gasoline and petroleum products.....	844,746	930
Machine hire and customwork.....	134,326	402
Hired labor (including 944 regular workers on 276 farms).....	3,838,750	469

**Farm production and income**

**CROPLAND HARVESTED**

Cropland per farm	Total acres	Number of farms each class
Any cropland harvested.....	79,624	885
Less than 10 acres.....	370	173
10 to 49 acres.....	3,645	215
50 to 69 acres.....	2,554	57
70 to 99 acres.....	5,226	89
100 to 139 acres.....	9,734	105
140 to 179 acres.....	9,079	73
180 to 219 acres.....	6,787	43
220 to 259 acres.....	5,371	27
260 to 499 acres.....	19,321	72
500 to 999 acres.....	14,307	28
1,000 to 1,999 acres.....	3,230	3
2,000 acres or more.....	0	.....

**PRODUCTS SOLD, VOLUME AND VALUE**

**Livestock and Livestock Products**

Item	Farms	Number sold	Value of sales
Cattle and/or calves.....	182	5,362	\$748,469
Hogs and pigs.....	132	21,794	647,084
Sheep and lambs.....	26	407	5,830
Horses and mules.....	24	218	63,167
Honey and bees.....	4	(C)	3,240
Fur bearing animals and other products.....	5	(C)	171,417
Dairy and poultry products:			
Milk or cream.....	73	(C)	688,665
Poultry and poultry products.....	157	(C)	304,020
Crops: Field crops, other than vegetables and fruits and nuts.....			4,082,118
Vegetables: Value of sales, 163 farms sold \$1,434,498.			

<sup>1</sup> Not reported in 1964 Census of Agriculture.

**ACREAGE HARVESTED FOR SALE**

Item	Farms	Acres
Tomatoes.....	136	1,493
Sweet corn.....	106	1,774
Cucumbers and pickles.....	52	68
Snapbeans (bush and pole).....	29	34
Watermelons.....	17	33
Cabbage.....	69	516
Cantaloups-muskmelons.....	48	85
Sweet peppers.....	69	109
Green peas.....	6	84
Squash.....	63	143
Dry onions.....	41	220
Asparagus.....	11	16
Carrots.....	27	47
Pumpkins.....	66	194
Fruits and nuts: Value of sales; \$11,422.		

**AMOUNT HARVESTED**

Item	Farms harvesting each item	Volume harvested
Strawberries (sales).....	4	2,553 qt.
Raspberries (sales).....	1	400 qt.
Apples.....	24	138,925 lb.
Peaches.....	14	8,381 lb.
Pears.....	23	409 bu.
Grapes.....	19	26,325 lb.
Plums and prunes.....	13	144 bu.
Cherries.....	14	3,896 lb.

**AMOUNTS SOLD OR HARVESTED**

Item	Farms reporting harvest or sale	Volume sold or harvested
Corn, as grain (sales).....	388	1,555,733 bu.
Soybeans (harvested for beans).....	449	548,269 bu.
Wheat (sales).....	245	258,375 bu.
Oats (sales).....	164	134,724 bu.
Barley (sales).....	3	2,248 bu.
Rye (sales).....	14	6,462 bu.
Alfalfa (sales).....	149	7,454 tons
Clover, timothy, etc. (sales).....	35	1,296 tons
Small grains as hay (sales).....	3	81 tons
Other hay (sales).....	13	509 tons
Alfalfa seed (harvested).....	1	1,000 lb.
Red clover seed (harvested).....	2	2,940 lb.
Irish potatoes (harvested).....	14	2,162 cwt.
Sweet potatoes.....	1	2 bu.

**Nursery and greenhouse products:**

Value of sales: 297 farms sold \$8,575,684.  
Nursery products: 113 farms harvested 1,811 acres, \$2,129,987.

**Cut flowers, etc.:**

Under glass: 142 farms with 3,293,-025 square feet glass.  
Grown open: 46 farms with 45 acres.  
Value of sales: Cut flowers, etc., \$5,598,155.

**Vegetables, seeds, bulbs, mushrooms:**

Under glass: 34 farms with 358,209 square feet glass.  
Grown open: 39 farms with 1,005 acres.

Value of sales, vegetables, seeds, bulbs, mushrooms, \$847,542.

**Forest products:**

Standing timber: One farm sold \$1,500.  
Firewood, pulpwood, fence posts, sawlogs, Christmas trees: Four farms sold \$3,325.

Recreation income: Hunting, fishing, and other recreational services: Eight farms sold \$119,301.

**Income recap**

All farm products sold.....	\$16,861,915
All crops.....	14,108,547
Field crops.....	4,082,118
Vegetables.....	1,434,498
Fruits and nuts.....	11,422
Forest products and horticultural species.....	8,580,590
All livestock and livestock products.....	2,634,067
Poultry and poultry products.....	304,020
Dairy products.....	688,665
Livestock and products.....	1,641,382

Average sales per farm (county).....	17,583
Average sales per farm (State).....	15,983

Commercial farms in the county (745 of the 959) had \$16,426,595 of the \$16,861,915 worth of sales. For commercial farms:

Average sales per farm (county).....	\$22,049
Average sales per farm (State).....	18,880

**Farms by economic class and value of farm products sold**

Economic class:	
Commercial farms.....	745
Class I.....	93
Class II.....	133
Class III.....	177
Class IV.....	157
Class V.....	130
Class VI.....	55
Other farms.....	214
Part time.....	132
Part retirement.....	76

**Value of farm products sold**

Value per farm:	Number of farms
Under \$250.....	26
\$250 to \$499.....	36
\$500 to \$999.....	64
\$1,000 to \$1,499.....	57

## Value of farm products sold—Continued

Value per farm:	Number of farms
\$1,500 to \$1,999	48
\$2,000 to \$2,499	33
\$2,500 to \$4,999	130
\$5,000 to \$7,499	88
\$7,500 to \$9,999	70
\$10,000 to \$14,999	111
\$15,000 to \$19,999	68
\$20,000 to \$29,999	93
\$30,000 to \$39,999	41
\$40,000 to \$59,999	45
\$60,000 and over	49

## Farms by tenure of operator

Full owners	488
Part owners	234
Managers	23
All tenants	214
Cash tenants	126
Share-cash tenants	47
Crop-share tenants	24
Livestock-share tenants	6
Other tenants	34

## A REVISED AND VIGOROUS U.S. DIPLOMACY NEEDED TODAY MORE THAN EVER

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. MONAGAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MONAGAN. Mr. Speaker, the announcement by Germany of the decision to reduce her commitment to NATO by 40,000 to 60,000 troops underlines the urgent necessity for a reexamination of U.S. policy regarding the Western defense organization in the coordination of objectives among the pact countries.

In the view of competent authorities a dangerous euphoria exists among NATO members concerning the extent of the detente in Eastern Europe and the possibility of reliance thereon.

Since the United States recently withdrew 18,000 support troops from France it has announced a decision to withdraw 35,000 combat troops from Germany after January 1, 1968—apparently for balance-of-payment reasons—we must bear some responsibility for creating the atmosphere in which this new reduction of strength by the hitherto most willing European partner was deemed advisable.

Is this a good time to disassemble NATO?

In the light of today's international situation, the answer must be negative. The forces on the East side of the curtain have not decreased, but have increased in capacity over the years. Twenty Russian divisions are maintained in East Germany, several in Poland and Hungary, as well as many more in the western U.S.S.R. In the very newspaper which bore the word of the German reduction there appeared a report of the refusal of the Russians to give up the military leadership of the Warsaw Pact. Finally, a host of events from Vietnam to Glassboro and including the naval surveillance in the Sea of Japan, the guerrilla activity in Latin America, and the lightning-fast rearming of the Arab Nations testify that there has been no softening of the Kremlin line.

Either we need something like NATO as a Western defense or we do not. In my judgment, the increasing military capacity of the Communists requires a counterforce. We must not allow any preoccupation with Southeast Asia to blind us to the needs of the Atlantic community or to diminish the force of our leadership.

A revived and vigorous U.S. diplomacy in Western Europe is needed today more than ever.

## ESCAPE FROM POVERTY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DENT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DENT. Mr. Speaker, on Friday, June 30, the distinguished chairman of the Committee on Education and Labor addressed the National Seminar on Vocational-Technical Education at the University of Maryland. Chairman PERKINS delivered an inspired message to those in attendance and I certainly share his feelings on poverty and in a concentrated Federal attack on it.

The very able gentleman from Kentucky also emphasized the vital need for vocational training as an avenue of attack—perhaps the most productive one. I emphatically echo his belief in this, and in the role of vocational-technical training in our country. The principal escape from poverty is adequate employment; and we can do much toward that end by making vocational education and training a reality to many of our citizens now living lives of despair.

I commend the remarks of my chairman to the Members who, I hope, will find as much satisfaction in them as I did.

## SPEECH BY REPRESENTATIVE CARL D. PERKINS

I am happy to greet you today as representatives of the men and women responsible for the great strides we have made in recent years in the field of vocational education.

You have translated into solid accomplishment the aim and purpose of the Vocational Education Act of 1963, the Manpower Development Training Act, and other legislation in this field. For this, you deserve the lasting gratitude of your countrymen.

Because you so thoroughly understand the problem, no one realizes more clearly than you that 1967 is no time to rest on the glories of past achievement. This is the time to get on with the job.

There are still many of our fellow citizens who must be brought into the mainstream of American economic life, and kept there. I happen to believe that vocational-technical education is one of the best vehicles for getting this job done.

Geographically, our target is in the ghettos of the great cities of the land, in the rural Spanish-American areas of the Southwest, the Indian reservations of the Great Plains, the old tenant-farmer fields of the Southeast, and the isolated mining camps and rural communities of my Appalachian homeland.

But this is not a geographic problem to be attacked with dams and dikes and irrigation systems. This is a social problem involving 32 million Americans who do not share the

general affluence of history's most prosperous civilization.

I am talking about our fellow citizens to whom the great breakthrough in health and medicine means little or nothing. The knowledge explosion and the great improvements in education have scarcely touched them. The billions we have spent on supersonic jets, interstate highways and 150-mile-an-hour trains leave them unmoved—for they are immobile in an age in which we talk of traveling to the Moon by 1970. The development of modern time-saving devices means little to a man when time already hangs heavily on his hands.

Today we are engaged in a great Congressional debate, the outcome of which will determine the future of these millions of American citizens. This, to me, is astonishing—that there should be any argument at all over the most concerted effort in our history to lift poverty from the backs of men.

Down on Pennsylvania Avenue there is a building on whose facade is inscribed *What is Past is Prologue*. In light of our progressive history and our abiding concern for human beings, I am convinced that when the debate is resolved within a few weeks, we will have taken another historic step forward. Were it to be otherwise, we would have to revise that inscription to read *The Future Contradicts the Past*. I do not believe for one moment that the American nation will turn its back upon the progressive tradition of its yesterdays.

As a matter of history, we began the 20th Century with the prospect that a wage earner could live productively and in old age retire to a life of poverty.

We set out to revise the unhappy cycle with the enactment of the Old Age Survivor's Insurance legislation in 1935—a direct attack on the poverty that weighed so heavily on our elder citizens. This was thought of as an antipoverty program.

Today, the Social Security Retirement system is no longer a poverty program. It is a broad-based retirement insurance program serving virtually all segments of the population.

Other landmark national legislation has sought to provide individuals and families with protection against those calamities with which they cannot cope. Unemployment insurance, workmen's compensation, bank deposit insurance, Medicare—these are just a few instances of national concern.

The point is this: Whereas in the past the victims of mass unemployment, the victims of disability or sickness, and the elderly were often subject to poverty, these conditions are no longer permitted to imprison millions of Americans in a straight-jacket of want.

These great programs which guard the mass of our citizens from economic disaster are, however, predicated upon the initial participation of all beneficiaries in the mainstream of American economic life.

That is to say, the Social Security retiree must first have been a wage earner. To be covered by the minimum wage law, one must first have possessed an employable skill and a job. To be a beneficiary of most of the technological and vocational programs, one must first have had certain basic education skills such as reading, writing, arithmetic, and quite often a high school diploma.

But the man or woman we are trying to reach today, the hard core victim of poverty, quite likely has never been a consistent wage earner. He may never have completed grade school. And, unfortunately, he is quite likely to feel hostile to the established institutions that serve the mainstream.

So you see, in spite of all the broad-gauge programs we have devised to shield people from economic disaster, some 32 million Americans are still confined to conditions of poverty.

These are not people put in a temporary



squeeze because of a downturn in the economy. They are not necessarily people felled by injury or disease.

There is a self-perpetuating poverty, inherited from their parents and now being transmitted to their children. It is a poverty of hope and motivation, and it is a poverty of outlook. The road ahead for these people is down hill. They are isolated from the national goals, the national thought, and the national activity.

The vibrant economy of which this nation is so justly proud simply operates at a level above their heads and beyond their reach.

These were the men and women the country and the Congress had in mind when we enacted the Economic Opportunity Act of 1964. From the vantage point of 30 years of experience in social legislation, we saw that the needs of several million American families simply were not being met through the normal and institutional means of providing educational opportunities, welfare, economic development—yes, even occupational training. Many, many millions had benefited. But 32 million had not.

Perhaps most tragic of all is the fact that the children of the poor were insulated from the benefits we intended because of the unreachability of their parents.

I am happy to say that the great debate about which I spoke a few minutes ago does not involve abandoning the effort to reach the poor. Rather, the argument is over the means of doing it.

The efforts which were initiated in 1964 are concerned principally with education, occupational training, health services, legal assistance and community development.

The principal critics of the 1964 act simply contend that these programs should be splintered away from the Office of Economic Opportunity and lodged in the established agencies of government that have traditionally operated in these areas.

I reject that argument. Moreover, I shall fight to the last hearing, the last motion, and the last hour of debate and conference to preserve a centralized and coordinated assault on the root causes of poverty.

It would be the height of folly to divide our forces and dissipate our strength at this critical point in the effort.

Strong, efficient, coordinated direction is now being given by Sargent Shriver through the Office of Economic Opportunity. That is where these programs belong, and that is where they must stay until their success is so firmly established that their day-to-day administration can be delegated to the old line agencies of government.

A splintering-off of the anti-poverty programs from the Office of Economic Opportunity at this point in time would produce this result:

The agency to which the new program is assigned would have to reorient its operation in terms of servicing the poor and thus diminish its major mission.

The alternative is that the primary objective of the particular anti-poverty program would be diminished by merging with the broad mission of the old-line agency to which it is assigned.

I want you to understand that I am a longtime champion of the Department of Health, Education, and Welfare. It is ably administered and performs tremendous service to the nation. But I do not feel it is prudent to require that the Department reorient its operation or its mission in order to concentrate on the peculiar needs of the poor.

Similarly, the Department of Housing and Urban Development, the Department of Agriculture and the Department of Labor have broad-based missions to serve the needs of the nation. The constituencies of all these agencies have strong representation in national organizations to promote the general interest of farmers, home builders, workers,

unions, and others. But they have no representatives of that vast, unorganized, inarticulate constituency of the poor. This group, 32 million strong, would simply be lost in the shuffle if the programs O.E.O. now administers were redistributed.

If anti-poverty efforts are to be parceled out to established agencies and to appear merged as only small budgetary items surrounded by budgetary items for the major missions of the agency, we shall have lost a major and perhaps decisive thrust in the effort to eliminate poverty.

This effort requires many different approaches, many different tactics and programs.

I can't help feeling that we are neglecting one of the best approaches by underfunding our vocational education mission. In fiscal 1967, Federal support for vocational education under the 1963 Act reached a ceiling of \$225 million. To meet the fundamental needs of vocational education the Federal Government should be spending in support of these programs \$1 billion annually.

I am hopeful that this Congress will raise the authorizations contained in Section 2 of the Vocational Education Act from \$225 million to \$400 million effective for fiscal 1968 and to \$1 billion thereafter.

At the same time, I feel that it is urgent that we increase authorizations for the Economic Opportunity programs in the Occupational Training areas, in the Neighborhood Youth Corps, Job Corps, and community action oriented occupational training. By keeping these activities centered in the Office of Economic Opportunity we will assure continued focus upon the specific needs of the people now trapped in poverty.

At the same time we must assure the continued participation of vocational educators in Economic Opportunity oriented programs of occupational training. These programs are successfully and effectively reaching the most needy groups.

We are making good progress on many fronts. Let us make sure that this progress continues by keeping the effort against poverty united and coordinated in the Office of Economic Opportunity. I certainly hope you can support us in that intent.

Today I urge keeping intact the authority of the O.E.O. to engage in a great variety of programs specifically directed to poverty and the poor, but I look forward to the day when O.E.O. will work itself out a job.

That day will dawn when the 32 million American poor finally achieve full participation in the good life that we know this country can provide.

#### VIETNAM: FENCING THE NORTH

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BINGHAM] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BINGHAM. Mr. Speaker, in the New Republic for July 8, Mr. Andrew Hamilton, a writer on military affairs for Newhouse newspapers, has written a most interesting article on the idea of seeking to establish a physical barrier to the infiltration of men and supplies into South Vietnam from the north. Mr. Hamilton appears to be sympathetic to the President's fear that a cessation of the bombing in the north would give Hanoi a military advantage, but he points out that this situation would change if such an effective barrier to in-

filtration could be established. He further argues that the high cost of the barrier would be less than the cost of aircraft losses over North Vietnam plus the cost of bombs dropped.

I commend Mr. Hamilton's article to my colleagues and other readers of the Record, as follows:

#### VIETNAM: FENCING IN THE NORTH

(By Andrew Hamilton)

With the presidential campaign barely more than a year away, there are signs that Mr. Johnson is planning to add something new to the war effort which could eventually change the nature of the Vietnam struggle. The new factor is a "barrier" of electronic devices around Vietnam to monitor infiltration of men and supplies from North Vietnam, Laos and Cambodia, and to permit rapid border enforcement. If the electronic wall were to curb infiltration, the residual arguments for continued bombing of North Vietnam would lose whatever validity they might still have.

The impression grows that under present strategy, neither the many battles in the South nor the air war against the North are going to bring an end to the fighting. One no longer hears much about that "light at the end of the tunnel" which glimmered fitfully last fall. General Westmoreland has sent Washington his estimates of the number of additional American troops he could use, mostly for more search and destroy operations. These are said to run from one more division up to four or five, in descending order of priority. But there is no evidence that General Westmoreland guarantees that any number of additional troops will produce victory within a year or 15 months. The retraining of South Vietnam's Army (ARVN) for "pacification" duty has turned out to be a far longer-term project than the optimists expected last fall, and one begins to hear about all sorts of new organizational schemes to make better use of ARVN's manpower.

The bombing campaign against North Vietnam has run for nearly 30 months. Well over \$1 billion worth of American aircraft has been lost to enemy fire or in accidents; at least another \$1 billion in ordnance has been dropped on or shot at North Vietnam; more than 500 American pilots have been killed or captured; most of the North's industry has been hit and at least partially destroyed, and its roads, railroads, bridges and waterways are under constant attack. Yet the enemy force in South Vietnam keep growing slowly, according to published intelligence estimates. The intensity of conflict in the South is also growing. The North Vietnamese leaders seem fully prepared and able to sit out another year or more of bombing, both to prove that they will not submit to coercion and to see what the American presidential election will bring. Pondering this, the President must at times be tempted to believe that "more of the same" will bring only more of the same—another year or more of "this bloody impasse," as he called it last month, with a settlement not perceptibly nearer. Not the best record to run on.

But Mr. Johnson believes that a negotiated settlement is no more attainable than a military victory in the short run. In the opinion of the officials who estimate Hanoi's intentions, the North Vietnamese government would agree to "talks," if the bombing of North Vietnam were stopped. They doubt, however, that the "talks" would lead to "negotiations" during which Hanoi would back away from any of its aims—certainly not until after the US elections. The estimate of the Joint Chiefs of Staff, which the President can hardly ignore when he has troops in the field, is that Hanoi would take military advantage of the cessation of bombing to increase infiltration of men and supplies in

the South, in hopes of achieving a major tactical victory that would have maximum political impact in Washington and Saigon. So when the military are asked about ending the bombing, they growl "over our dead bodies," and they mean that literally.

Thus, the President is told that the safest way to fight the war in the South is to continue bombing the North, relentless pressure countering relentless pressure. At the same time, he is also being given a highly unfavorable assessment of the bombing as a costly and inefficient counterinfiltration weapon. (According to the air force chief of staff himself, most bombing raids against North Vietnam achieve a "700-foot CEP"—circular error probable. This means that only half the bombs drop within 700 feet of their targets.) Moreover, persistent bombing is poisoning relations between the US and other nations, particularly the Soviet Union and contributes to holding up such vital matters as talks on limiting deployment of anti-ballistic missiles or a Middle East settlement. Nor is it bringing Hanoi to the conference table. Moreover, Mr. Johnson is told it is morally repugnant to a lot of Americans who are not the demonstrating sort. Curiously enough, this assessment is coming from the Pentagon, although not from the Joint Chiefs of Staff. It is held not only by Department of Defense civilians, but by some lower-grade officers.

For several years, the Defense Department has considered various schemes for blocking the infiltration from North Vietnam by physical barriers. Most were discarded as too static, too costly in terms of manpower, and not likely to have the same military or (it was hoped) political advantages as bombing. The military, in particular, were opposed to the barrier plans. But the idea remained as a possible alternative to the bombing strategy, and as possible insurance against the reintroduction of infiltration following any political settlement. For these reasons, a major research program named "Practice Nine" was started by Defense Secretary Robert S. McNamara last year to determine whether new detection and warning devices could be developed that would make a barrier "cost effective."

"Everybody and his brother," according to one research official, has been called in to deliver opinions on the feasibility of the sensor technology required and on the "trade-offs" between a barrier and bombing, as well as to do the engineering. Combinations of airborne and ground-based sensors have been studied to determine the best way to detect foot infiltrators, bicycle and pack animal traffic under dense jungle canopy in wild, rough terrain. When the sensors detect such traffic, they would alert observation posts or planes which could order artillery fire, air strikes and helicopter-borne troops to stop the infiltration. Barbed wire, minefields, strongpoints and other standard barrier devices would be used where the terrain permitted. Where it did not, mine-activating sensors could be installed along infiltration trails, along with sensors to call in air strikes and reaction forces.

An electronic fence of this sort would make use of improved night observation devices using light intensification techniques; personnel detection radars which see moving targets by means of the Doppler shift, and which have been used successfully at ranges of several miles to aid in protecting isolated Special Forces camps in Vietnam; seismic detectors that can be remotely placed to pick up ground tremors caused by marching men; magnetic detection devices; infrared sensors; ultraviolet sensors; acoustical amplifiers; "electric eye" beam-breaking devices and other gadgetry. Some would have a radio link to rapid data-processing equipment, which would analyze the patterns for estimates of the amount and kind of traffic.

#### WHERE WOULD IT BE BUILT?

Army studies have determined that a "reasonably impermeable barrier" using this sort of technology could be constructed at a cost of \$1 million a mile, including manning costs which make up 80 percent of the total. And even if the cost estimate doubled, officials have said, it would be cheaper to build a barrier around the the 600 miles of South Vietnam than to lose another 600 attack aircraft over North Vietnam, at \$2 million a plane plus the cost of bombs dropped.

The same sensor technology can be used to improve the efficiency of search and destroy forces in South Vietnam, which one defense official describes as very low. By helping to pinpoint enemy forces, camps and tunnels, he said, the technology "can improve search and destroy by a factor of 10."

Advances in sensor technology, notwithstanding, the barrier plan remains controversial. Some find repugnant the concept of a "Berlin wall" built by the United States, although the arguable point is made that the Berlin wall was designed to keep people in while this wall would be designed to keep them out. The military are no longer so strongly opposed to the idea, but they don't want to take men from search and destroy operations and tie them down guarding the barrier. It is thought that a barrier of any length would require three to four divisions of airmobile troops (more than two divisions are now on border duty). Also, they believe the barrier should stretch from the South China Sea across the northern tip of South Vietnam and then on across Laos to the Mekong River, instead of ending at the Laotian border. But that is ruled out; the Laotian government firmly opposes the plan. An alternative is to turn the barrier south along South Vietnam's western boundary. But this is very rough territory, where installation of the barrier would be more difficult and its effectiveness more open to question. Finally, some of the sensor devices will not be available for at least a year, if then. Technologically, they present "magnificent problems," one official notes.

Nevertheless, the Administration apparently is preparing to field-test the electronic barrier on a major scale, beginning just south of the demilitarized zone between North and South Vietnam. Already, Marines have cleared a seven-mile strip between Gio Linh and Con Thien which is being widened to 500 yards. This will be sowed with mines, barbed wire and sensors and covered by concentrated artillery. According to reports, the strip will next be extended four miles from Gio Linh to the coast, then westward. It might then be carried south along the boundary.

Officials think that, using present technology, a barrier covering the major infiltration routes can be installed within a year. If this is done, and it proves effective, the President will perhaps be in a position to deescalate, then stop the bombing without risking major trouble in the South from infiltration. This might be the formula to solve the current impasse, and, conveniently, it would be available for use just about the time the presidential campaign picks up momentum during the fall of 1968.

In the 17th century the rival war lords of the Trinh and Nguyen families, rulers respectively of North and South Vietnam, fought constantly with each other. But the Trinh, although stronger, were unable to overcome the Nguyen and seize the South. Historians attribute the successful southern defense in part to two huge walls built across the coastal plains by the Nguyen in the 1630's, near the narrow waist some 25 miles north of the present demilitarized zone. That division of Vietnam, according to Bernard Fall, lasted 150 years. But it did not bring peace. The learning curve in Vietnam is very flat.

#### THE MARKET FOR U.S. COINS HAS FINALLY STABILIZED

Mr. STRATTON, Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FASCELL, Mr. Speaker, during the years of the coin shortage, one of the prime causes which aggravated the serious lack of coin was its withdrawal from circulation by the coin speculator whose principal motive was to make a quick and easy profit. These speculators who diverted bags and barrels of coin from normal circulation patterns increased the problems of the average businessman who could not obtain sufficient coin for his normal needs. Because of this, his costs of doing business were increased, which no doubt resulted in higher prices to the consumer. Incidentally, the true coin collector, the hobbyists, found a steady rise in the prices for the coins which he needed for his collection.

Since early 1964, the Legal and Monetary Affairs Subcommittee of the Committee on Government Operations, of which I am chairman, attempted by reason of its work to assure that the country would have adequate supplies of coin in order that the businessmen would not be hampered in the conduct of their normal commercial operations.

In the coin shortage report, part 2—House Report No. 195, 89th Congress, first session—which was issued on March 22, 1965, we tried to distinguish between hoarders and coin collectors. In the report we stated:

#### COIN HOARDING AND SPECULATION

The measuring of coin needs is further complicated by the lack of valid information on the quantities of coin which are being kept out of circulation by hoarders. The true coin collector does not materially contribute to the coin shortage. The Treasury witness stated that he felt the coin collector has never been a problem, in that, assuming there are 10 million coin collectors (which he thought to be a pretty high estimate) and each withdrew a set of each mint's coin, per year, that would amount to only about 100 million coins, a sizable quantity in itself, but of little consequence in the overall picture.

However, those who buy up new coin by the bag and roll are a problem. Their goals are not the education and pleasure derived from the pursuit of a hobby but solely expectations of financial gain. This gives rise to speculation, creates hoarding, increases prices inordinately, and intensifies the shortage. Collaterally, it also adversely affects the true collectors, who are finding it difficult to add to their collections except at highly inflated prices.

While there is no way of accurately counting the coin holdings of hoarders, a clear realization that the holdings are large may be gained from a perusal of the advertisements in coin publications. Often these contain offers of coins, at fancy prices, by the roll, the bag, and even the ton. Treasury officials in reviewing one such publication found advertisements by 53 dealers and 69 individuals which offered 1964 coins for sale or trade by the roll or the bag. Such trafficking in, or holding of, coins is not illegal; however, there is at present no reliable means



of estimating the quantities of coins so held out of circulation.

Some further conception of the sizes of hoards is reflected in an articles in the Wall Street Journal for January 14, 1965, which reports that a bank has loaned speculators \$1.1 million, secured by 34 tons of silver coins, and expressed a willingness to make more such loans.

A belief popular with many coin hoarders is that they cannot lose on their investment in coins; that even if they do not make a profit, they cannot lose. The fact is, as testified to by the Treasury witness, they are losing the interest or profit which could be made by putting their money somewhere else. Thus they could earn 4 or 4½ percent by putting their money in banks or savings and loan accounts, their losses would be protected at least to the extent of \$10,000 of each deposit, and they would be relieved of the burdens of safeguarding and storing bulky quantities of heavy coin.

Since about 1962 what had formerly been the quiet hobby of coin collecting developed for many persons into a wild speculation, with bid-asked markets and sales conducted through teletype services throughout the United States. A small dealer in a remote part of the United States can offer coins just as can his counterpart in metropolitan areas, quite a contrast to the time when trades took place at meetings of local coin clubs. The speculation grew to such extent that rolls and bags of coins minted in 1964 were hoarded, and advertised for sale at premiums the Treasury witness characterized as "fantastic." Speculators are interested in promoting the idea that there is a coin shortage, that current coins have high value and are going to get more valuable and, therefore, are good investments for individuals.

Speculation is often completely unrelated to realities. For example, dealers have offered, at from \$2 to \$3 each the 45 million silver dollars which the Congress has authorized, but which have not been minted.

As more and more people enter the market, prices rise. The bubble of speculation, however, can burst and purchasers of coin can suffer large losses. Even in coin publications, warnings to that effect are beginning to appear, cautioning speculators that they will sooner or later find that they have built cardhouses that will come toppling down around their collective ears.

The sad thing about it, the Director of the Mint said, is that people are going to lose money; they are "going to lose tremendous amounts of money, unfortunately."

Meanwhile, hoarding and speculation deprives commerce of coins needed in the carrying on of businesses and impedes the Treasury in its attempts of forecast future coin needs.

The subcommittee was impressed with the "crash program" which the Bureau of the Mint had planned in order to overcome the coin shortage. On the basis of the success achieved, shortly after the inauguration of the program, and its faith in the ability of the Mint to accomplish what it set out to do, the subcommittee was assured that production would be adequate to make speculation unprofitable. In the coin shortage report, part 2, the subcommittee found:

The bubble of wild speculation in ordinary coins at ever-increasing prices it expected to break with large losses to speculators.

On October 20, 1966, I reported to the Members of the House on this problem stating that the coin speculator's bubble had burst, and inserted in the Record an article which had been published in Coin World which commented on the downward trend of values of U.S. coins in the collector's market. In that article,

the author listed several factors to which he attributed the change in the market. The first of these factors which I think was most significant is quoted as follows:

Coin prices became too inflated due to excessive unrealistic promotion, all of which was successful due to the human desire for large and quick profit the easy way. And neither the dealer nor the investor is without blame in this respect.

The 1968 edition of "A Guide Book of United States Coins," generally known as the Red Book to coin collectors, has just been published and it confirms the prognostications of my subcommittee with respect to recent speculation in coin. I am happy to report that the market is stabilizing and that the collector should be able to obtain coins at reasonable prices. Much credit is due to the Bureau of the Mint, which has shown a remarkable capacity to produce coin in large quantities, resulting in the overcoming of a serious coin shortage. To me, this indicates that there is no need to fear the recurrence of such a situation for many years to come.

The article by Mr. Herbert C. Bardes in the New York Times of June 25, 1967, I feel sure will be of interest to every Member of the House.

#### COINS: RED BOOK REVEALS STABILIZING MARKET

(By Herbert C. Bardes)

There are more price changes in United States coins in the 1968 Red Book than there have been in any of the previous 20 annual issues. Although many of the changes are on the down side, the drops are moderate and the same holds true for the increases. Thus, the overall trend toward a stabilized market continues.

The 21st annual Red Book, officially called "A Guide Book of United States Coins," will be available next month in coin shops, as well as in the coin sections of department stores and in many book stores throughout the country. The red, hardcover book is published by the Hobby Supply Division of the Whitman Publishing Company, Racine, Wis. and it is priced at \$2.

The Red Book, a guide to retail prices, lists coin quotations arrived at by averaging the prices reported by a panel of nearly 50 established dealers from all parts of the country.

#### SOLID BASE

An optimistic trend for the entire hobby is the continuing downward adjustment of prices from the speculative heights of two or three years ago. Richard S. Yeoman, editor of the Red Book, observes that, as a result of this trend, "the true scarcity of certain issues is being brought into sharper focus."

The coins that have been hardest hit are the modern, relatively common issues. "Sharp downward fluctuation in the values of these coins," he notes, "has resulted from the continued lessening of interest by the speculator element."

Late-date proof sets are also in the forefront of price reductions. "It will come as no surprise," Mr. Yeoman says, "that modern proof sets have dropped drastically in value as more and more holdings are dumped on the market."

Another not unexpected drop can be observed in Lincoln cents; they are down for the second straight year. Also disheartening to dealers is the continued slump in the Indian head cent series. These two have always been among the most popular United States coin series. The interest is still there, he says, but not enough to sustain inflated prices.

#### NICKELS KNOCKED

One of the biggest surprises is the Buffalo nickel series. Although prices in the better grades are steady, or show slight increases, the lower grades are down slightly. "This," observes Mr. Yeoman, "is the first time ever—that the Red Book has had any lowering of prices" in Buffalo nickels.

All through the speculative boom of the early sixties, cooler heads in the hobby continued to sound the warning that a collapse was inevitable. Their predictions came true as soon as the hoarders, especially the hapless amateurs, woke up to the simple economic fact that "for every coin there must be a collector."

This truth was borne out then, and is still being illustrated, by the steady appreciation in the prices of type coins. Mr. Yeoman comments, "The most common coins in each series (the basic type coins), particularly in uncirculated condition, continue to reach new highs. It takes no great prognosticator to see that the type coins in extremely fine and very fine condition should soon be on their way up in price."

Also noticeable in this 21st issue of the Red Book is that "almost no coin is priced under 10 cents. This does not mean that some of the common material is not worth less than 10 cents, but only that nowadays no dealer can afford to merchandise a coin for under that price."

American Colonial coins—those made in this country or in Europe for circulation in the Colonies from the mid-1600's to the early 1790's—rarely are spectacular price performers from year to year. They usually make slight to moderate advances.

#### AUCTION EFFECT

This year the Red Book shows a better-than-average Colonial performance, with about half of the coins showing moderate increases. This growth was anticipated, and is generally attributed to the results of the nationally publicized auction of the outstanding C. H. Stearns collection of Colonials, conducted by Mayflower Coin Auctions in Boston last Dec. 2 and 3.

"However," Mr. Yeoman notes, "many of the rarities in this series have not come up for public sale in many years, so that new prices could not be established."

The long-hoped-for surge of interest in the silver commemorative half dollars has still not materialized. Almost every value in this series is down, and some of the issues have dropped radically. Even the much smaller series of gold commemorative coins has slumped.

In half cents, general price increases are noted in proof and uncirculated coins, with somewhat less strength in the very fine and extra fine grades of condition. In most instances, the lower grades are down.

Large cents are even stronger. The early dates made heavy gains, especially those in better condition. Sharp increases are noted for large cents in uncirculated condition.

The sustained interest in type coins revealed itself most strongly, of course, in the limited-mintage 19th century issues such as 20-cent pieces, silver three-cent pieces, nickel three-cent pieces, bronze two-cent pieces and the trade dollar.

A detailed review of the Red Book discloses that there are some 40 major categories of United States coins in gold, silver, copper and cupronickel. Collectors will find it interesting and instructive—and quite possibly profitable—to take the time for a series by series comparison between 1967 and 1968 (copies of the 1967 edition are still available in most coin shops).

#### CANADA CELEBRATES INDEPENDENCE CENTENNIAL

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman

from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FASCELL. Mr. Speaker, it was just 100 years ago, as our own people were striving to rebuild the framework of their Nation which had been so severely shattered by the Civil War, that the Canadian people were preparing to undertake the often perilous task of forging a nation from the legacies of British imperialism.

One hundred years ago, on July 1, 1867, despite the differences and sectional rivalries endemic in a land of such large and diverse proportions as Canada, the colonial Provinces of Ontario and Quebec, and New Brunswick and Nova Scotia, under the conditions established by the British North American Act, joined together to form the Confederation of Canada. Although other Provinces were to join the confederation later, and the expanses of the central plain were as yet unorganized, the fact that the vital step had been taken marked the final passing of the age of British North America and the beginning of a long and fruitful relationship between the United States and the Dominion of Canada.

Today, the Canadian nation reaches from the Atlantic to the Pacific and from the St. Lawrence to lands end at the edge of the Arctic Ocean. Within this area of such majestic proportions is a nation of people fused from many nationalities who are proud to call themselves Canadians, and this pride is not without the greatest justification. For today Canada is not only one of the world's leading producers of such staples as wheat and timber, but one of the world's mightiest industrial nations as well.

That the Canadian people eagerly accepted their responsibilities as a member of the world community has come as little surprise to those who have watched the development of this conscientious and independent state. While fully aware of her position as a member of the British commonwealth of nations and of her economic ties with the United States, Canada has played an increasingly important and creditable role in the United Nations. During the past 25 years, Canadian statesmen, doctors, and soldiers, acting as representatives of the United Nations, have labored strenuously in every corner of the globe to insure the maintenance of international peace and to provide care and hope for the less fortunate members of the family of man.

Yet the thoughtful Canadian who turns to his country's history to seek explanations for his nation's greatness will quickly pass over the somewhat romantic image of rugged Canadians carving a dynamic nation out of the vast northern wilderness and bring his thoughts to rest on the true meaning of the struggle for a Canadian community. This quest for an independent Canada did not erupt as dramatically as had our own drive for independence, nor was it accompanied by the irrational excesses of patriotism

that have so often characterized the birth of new states. It was slow, tedious, and often without fanfare. But it was, nevertheless, as doggedly determined as that of any nation on the earth whose peoples have earned the right to statehood and independence.

The real meaning of the Canadian experience has been that nation's efforts to create a meaningful and separate identity in the northern half of the North American Continent. This Canada has done, and for this the United States can be thankful.

Canada's independent and truly distinctive culture has given this country the most precious gift either a man or a nation can have—a friend. From our friendship based on diversity, mutual respect, and trust, has flowed an interchange of ideas and criticism which has vastly enhanced the wealth and strength of both our nations.

Though at times critical of American policy, Canada's criticism has been offered in what she has always considered to be the best interest of both countries and the world in general. In all her relations with the United States and with other nations, Canada has acted with a steadfastness of purpose and toleration of others that can only be the product of her own long and determined struggle for a Canadian identity.

During this year of Canada's centennial, the people of the United States of America offer their warmest congratulations to their northern neighbors and closest friends, the Canadian people.

#### FREEDOM SHRINE ESSAY CONTEST IN MIAMI

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FASCELL. Mr. Speaker, on June 29 I had the privilege of calling to the attention of my colleagues the first of five essays that were first-place winners in the annual Freedom Shrine Essay Contest sponsored by the Exchange Club of Miami. Today I commend Clarence Smith, Betty Holzmänn, Robert Clark, and Ellen Sandler for their fine expressions of the meaning of the freedom shrine to each of them. Their essays follow:

WHAT THE FREEDOM SHRINE MEANS TO ME  
(By Clarence Smith, Miami Senior High)

"Two roads diverged in a yellow wood,  
And, sorry I could not travel both  
And be one traveler, long I stood  
And looked down one as far as I could  
To where it bent in the undergrowth;"

Robert Frost tells of a traveler who must make a critical decision which will affect his life and the lives of countless others for years to come. He has an opportunity to take the short road which seems to lead to success, or he may take the long road which after many attempts appears to lead nowhere.

Many of my fellow Americans apparently feel the same way or have the same idea that the short road will lead to success. They will reach out at any opportunity, not really

knowing where they are going or what they are doing. Their reply is, "Why should I fight; I am not protecting myself; why should I die." The chant goes on, but these cheers go beyond the words. The youth will destroy documents symbolic of their responsibilities, carry picket signs, and go so far as to denounce the system of our government.

The Freedom Shrine reminds the youth of these responsibilities and serves as a guide in life to those who haven't forgotten them.

In 1776 our forefathers felt that tyranny should no longer exist in our country. They wanted the coming generations to have liberty and equality. After weeks of writing, Thomas Jefferson created the ideals and the words that brought a nation, our nation, together: "We hold these truths to be self-evident that all men are created equal." But this declaration was only the beginning; the battle had begun. The time came for fighting and dying. These gallant patriots were looking down that long road. They were hoping that by taking that road future generations would be free.

Our nation began the long journey to freedom; they knew not where it led, but with faith in its people, they knew that they were headed in the right direction.

America became known as the "Cradle of Liberty," and our heritage was strengthened by many races and creeds. These people were seeking freedom found only in the United States. These people, here for many reasons, helped create our nation.

Our Freedom Shrine also reminds us that as the young democracy grew, grave problems arose which split the nation, and brother took arm against brother. The people of this land found that another terrible obstacle could be passed with perseverance.

Our Nation is the longest living democracy and we ask ourselves why. The treaties of the two world wars we have fought, which are in the Freedom Shrine, remind us of our great heritage, and when traveling down the road, when an obstacle stands in the way, we can look back at the heritage of our ancestors. We then will conclude that a nation can only survive with the help of its citizens.

We have faced many obstacles, and we have seen the people of the United States react. What road will the youth follow? We have a choice. However, the temptation to take the short road is strong. Before we continue on our way, we should stop, look, and remember the days when our country was born and the heritage left us.

A respect for the past should be instilled in the youth of America. They should realize the debt they have to pay. They need a shrine to do this, a shrine symbolic of freedom, the freedom they now possess. The Freedom Shrine serves this purpose.

Two roads—one leads easily to a world enslaved; the other, although more difficult to traverse, leads to a life of freedom. We the youth must make a decision based on the shrine of inspiration, encouragement, and guidance in order that one day we will be able to say:

"Two roads diverged in a wood, and I—  
I took the one less traveled by,  
And that has made all the difference."

THE FREEDOM SHRINE: ITS MEANING TO ME  
(By Betty Holzmänn, Thomas Jefferson Jr. High)

"We hold these truths to be self-evident: that all men are created equal, that they are endowed by their Creator with certain unalienable rights, and that among these are life, liberty, and the pursuit of happiness."

These were the words set down by a group of politicians on July 4, 1776. Now the deed was done. The Americans had openly declared their independence from English tyranny. There was no turning back; the wheels of progress had begun to turn.



The Declaration of Independence, in itself, is nothing. What it symbolizes is more important. Through it, and the rest of the Freedom Shrine, we can come to fully realize that our country's heritage goes beyond the dusky past into the foreboding future.

As we gaze at the documents that constitute the Freedom Shrine, our magnificent past is easily seen in all its splendour. The Pilgrims again embark on the hazardous voyage across the Atlantic, hoping to find their long-desired freedom. The colonists stand up to the mother country, and the lion is subdued by the mouse. And as we look onward, a vast panorama of rolling plains and high plateaus is shown to us, proving that America's manifest destiny has been fulfilled, and that our country truly reigns from sea to shining sea. But then the roll of drums and the thunder of cannon reminds us that a civil war has to be fought, and that many will die for a cause so complex that its bare essentials would fill volumes. But, the war is won, and, in the midst of joviality, a pistol shot is heard, and a man dies for his country. President Lincoln is buried, and the nation weeps.

The Freedom Shrine moves on, and the terror of the World War is relived before our eyes. Our country grieves for the dead and the wounded, but, in the end, the United States comes through triumphant.

We have now arrived at the present. The documents that are to be displayed in the future have not yet been written, and we are struck with awe. What will follow? Which wars will be won and lost? Which men will live and die? The answers to these and many questions can be found in the Freedom Shrine. "There is, of course, more to be gained from the use of documents than the recapturing of significant moments from the history of free men." Because this statement could not be truer, we may well find the answers to many probing questions of the future by delving into the documents of the past.

Looking again at the Shrine, we recognize many a famous document. Every one of them was written for a significant purpose. Let us begin with the Northwest Ordinance. The document shows plainly the good judgment of our government. Is it any wonder that Daniel Webster doubted whether "any single law of any lawgiver, ancient or modern, has produced effects of more distinct, marked, and lasting character than the Ordinance of 1787"? We also find much food for thought in the Monroe Doctrine of 1823. In studying this declaration, we find evidence of the well-known virtue of Americans to stand up boldly in the midst of adversity.

When President Lincoln was about to sign the Emancipation Proclamation, he raised his eyes and declared, "I never, in my life, felt more certain that I was doing right." With this, he wrote his name in bold letters across the bottom of the page. This document symbolized our nation's willingness to give equality to all men. By this proclamation, Negro slaves were officially freed. Negroes, it is true, still struggle for equality, but the Emancipation Proclamation marked the beginning of the popular belief in civil rights. It need not be said that one day soon all racial prejudice will be eradicated.

Now we have seen three of the many famous documents of the past. By studying them, we find dramatic proof of the unmarred record of goodwill and courage of our country. With this knowledge, we can face the future and rest assured that the future of America will be as honorable as its past.

When I think of the Freedom Shrine, I am reminded of many things. I think of an open field with the scent of daisies in the air. I think of crying gulls and roaring surf and the feel of the warm sun on my back. I think of the bustling city, with its gleaming towers and reverent monuments; its cool marble

halls and its warm city sidewalks. I think of the morning sun, appearing on an horizon that never ends, and that is unlimited in its grandeur. I think of carefully-planted crops, given to Mother Nature's care; the nourishing grains, the varieties of vegetables, and the open fields that lie and wait to be cultivated. And in the midst of this farm life, I recognize an insignificant red barn, bordered by the traditional white picket fence. And as I think of all these things, in relation to the Freedom Shrine, my heart leaps with joy as I realize that this is America! But more than this, America is people. America is the landlady downstairs and the handyman down the street. It is the distinguished executive and the insignificant clerk.

So, when I am asked the Freedom Shrine's meaning, I can only say:

America, from sea to shining sea!

(NOTE.—The source of all Quotations is the book, *Living American Documents*, available at the Thomas Jefferson Junior High School Library.)

#### FREEDOM SHRINE: ITS MEANING TO ME—THE GERMAN INSTRUMENT OF SURRENDER (World War II)

(By Robert Clark, Kimloch Park Jr. High School)

On May 7, 1945, in allied headquarters at Reims, France, Alfred Jodl, representing the German high command, was forced to surrender, unconditionally, all forces on land, sea, and air under German control. This marked the cessation of the hostilities between the allied powers and the Third Reich.

Beginning in 1939 and lasting until May 1945, the German forces captured towns, cities, and countries, in an attempt to take over the entire world. During these ruthless years, they executed millions of Jews. In short, they threatened the safety of the whole world.

On December 11, 1941, the United States entered the war determined to bring these hostilities to a stop. After 3½ years of bitter fighting the allies succeeded, they had won the war and ended the immediate threat to the free peoples of the world.

Although no bomb or Nazi soldier ever touched this country, we still took the responsibility of preserving freedom in our hands and fought to save the European people.

Without the courage of the American soldier and the clever war strategy, we might all be living under Fascism. But because of the valor and agility of the G.I. we live in a Democracy, as do most of the Europeans.

More than 16 million men fought in this dreadful war, and 291 thousand of them did not come home. They fought in strange lands so that their families at home would be safe. These gallant men fought and died for us so that we might worship as we please, hold a job we like, make a profit, and have all the rights guaranteed through Democracy.

I believe that the United States is truly the world leader in protecting the Democratic ideals and customs of those free countries throughout the world that are Democracies and also in encouraging and aiding the many people and countries of the world that are seeking our ways of life and Government—those of a Democracy.

The instrument of surrender is not just a lot of words on a piece of paper; to me, it is the whole idea that we, as Americans, are so dedicated to and proud of our great Nation and its free Government that we will not tolerate any power or force that threatens our freedoms.

In the Second World War we succeeded in preserving our freedom and also the freedom of Europe.

For years the United States has been trying to promote and protect Democracy. I believe that the German Instrument of Surrender not only ceased the spread of Nazism,

but also put Democracy one step higher on the ladder to world-wide approval.

#### THE FREEDOM SHRINE: ITS MEANING TO ME (By Ellen Sandler, Rockway Jr. High School)

For Orango and Gavril the date was Julian 8, 2095, yet of course they realized that for Aron and me it was July 17, 1967. That night, in the dark, empty corridors of Rockway Junior High, a strange meeting took place.

Aron and I were walking to the store to pick up some groceries for his mother. The night air was fresh and clear, and we enjoyed each other's company. Our usual route took us past Rockway, our last year's school.

As we approached Rockway, I experienced a sensation which I find somewhat difficult to put into words. Have you ever felt as though you were being drawn into a place, propelled by an unknown force? It is knowing deep within you that something awaits you inside, indefinable yet, nevertheless, existent, not wholly understandable, yet on the verge of being so.

For a split second everything went black. I was vaguely aware of Aron's supporting me to a bench just outside Rockway's main office.

"What happened?"

"I'm not exactly sure."

"Let's get going. This place bugs me."

"Aron, I'm staying here. I can't explain it, but I must stay here . . . now . . . for a while. You too, I think. I know you don't understand what I'm trying to say, but something is going to happen. I can feel it. We're needed here for something tonight—something important." The urgency in my voice must have impressed him.

We walked silently through the dark, deserted corridors like two conspirators. The walls appeared huge and distorted, with black shadows lurking everywhere. I started to speak, but the ominous atmosphere of the vacant classrooms reduced me to an awed silence.

Suddenly I stopped where I was, dead still. The blood drained from my face. My lips worked furiously in an attempt to speak, yet no sound emerged.

My first impression was that the entire wall was aglow, but after I recovered from the initial shock, I realized that the eerie, yellow-green light radiated from a glass-enclosed case, which Aron and I recognized as the Freedom Shrine.

However, the light was not transmitted directly from the case, but originated deep within the wall, from an immeasurably far-off distance. The wall and the documents appeared transparent. The night air had a faint rusty odor, as of burning fuel.

I stood in apprehension as the yellow light slowly flooded the corridor. The center, growing rapidly larger, began to take shape. It was some sort of whirling machine consisting of a rectangular chrome-colored platform completely covered by a transparent dome. On the platform I could distinguish a multi-colored panel with flashing lights and gyrating discs. There were three reclining chairs: one vacant, the other two occupied by men. I shuddered involuntarily, quivering with excitement and anticipation. I heard a distant rumbling which got louder and louder as the machine grew nearer, until a great roar filled the empty school. I covered my ears with my palms, closed my eyes, and waited.

All at once everything stopped. There, in front of the Freedom Shrine, stood the machine I had seen through the glass. It was approximately half the length of the corridor, and measured about seven feet from the ground.

Slowly the glimmering dome rose. The men came suddenly to life in their chairs. One glanced around, spotted Aron and me, and silently formed the word "wait." I could not have moved if I wanted to. They unstrapped their seatbelts and stepped down.

Their attire astounded me. There is a kind

of period-style overriding current fashion, and these two travelers seemed out-of-joint with the times.

"So, my young friends have already arrived. Good. I am Gavril," spoke the man on the right. "This is Orango, my . . . uh . . . assistant. Our business in this century will take but a brief time-span, but it is of utmost importance."

I studied him. His earnestness was beyond question. He asked for neither introduction nor explanation, and I did not venture any. He already seemed to know all about us.

He spoke with a depth of feeling and emotional power that commanded attention. My earlier fear left me. Curiosity took its place, yet I was secure in the knowledge that all my questions would be answered.

Gavril continued: "We are from star-date 2095. This," he motioned to the machine "is our time capsule."

"You mean we are your past—your history?" I asked timidly.

"History," he repeated quietly, musing to himself. "What we experience this moment glides, in the next moment, into the past." "From the unchangeable past to the unknowable future." I recited.

Gavril smiled. "The fallacy that the past was unchangeable did not matter as long as there was no means of changing it. Your statement is quite untrue. Tonight my past will be altered, and you shall know your predestined future. And," he added as an afterthought "change it. You see, your civilization is headed for destruction. Tonight we will alter the path that man has followed thus far in the process of evolution, to the year 2095. Man has forgotten the essentials of living together with his kind; those essentials are in these documents." He gestured toward the Freedom Shrine. It was then that I began to understand.

"It will be your job to inform the masses. Show them the difference between democracy and dictatorship, conformity and individualism, education and indoctrination, before it is too late. Teach them to use their eyes, ears, and brains to 'see' my friends, to 'see!' To be aware of the vast world around them, to remember that the choice is their own."

"The Freedom Shrine is not just a collection of 'dead' documents. They are not just part of the patriotic past. Liberty, justice, rights—these were fighting words back in the beginning of governmental history. Revive them! Bring them back to life!"

My mind raced. I thought of what I had read in history books: of our forefathers fighting, dying, giving up their homes, families, and everything they had strived for all their lives so that our land might be free. Times when "liberty" and "freedom" were on the lips of every man, woman, and child, when rebellion was in the very air they breathed. We are breathing the same air! Another rebellion is in store for us—a patriotic rebellion. Were our forefathers to have died in vain? What they did should not only be remembered, but practiced. Now, and for generations to come!

There was so much I wanted to know. "But what happened to my world?" I asked. "Did it wipe itself out in some vast global war?"

Gavril sighed. "No, little one, it did not get even that far. It just died—as did all the early civilizations."

He had no reason to lie, yet it hardly seemed possible. Just died? I thought of my world, with all its complexities. Progress everywhere you looked—medicine, space, science, engineering. Yet it had serious problems. Racial intolerance . . . Crime . . . War . . . traffic casualties. Why didn't people read the Freedom Shrine documents? But, unfortunately, to get people to read was one thing—to get people to understand what they read was quite another.

It was then that I realized that this was

not the drama of what life might be, but the nightmare of what it is becoming. The time to do something about it was now! The Freedom Shrine documents were the savior of this planet!

"Your world is decaying," Gavril's voice startled me. "Governmental corruption is inevitable."

No, I thought wildly. No! No! No! This was not man's destiny, not his reason for creation! To "Just die?" Never! There was only one solution.

"Yes" said Gavril, motioning to the Freedom Shrine. "The answer is here."

For the first time he turned to Orango. I had not yet heard him speak. "Well, Orango, what is your opinion?" asked Gavril.

"You know what I think. I told you right from the start. We thought that coming back when they still had a chance could change our world. Look at them—only kids! Did you see the faces of the people passing by? Lethargic! Do they care what happens after they die? All they worry about is themselves, oblivious to their neighbor's problems. Who are we to tangle with predestiny? If we fall . . ."

He whirled around to face the Freedom Shrine. "Look!" he yelled in blind fury. "Look, you fools! Why, they've got it right in front of them and they don't even know it's there!"

"In front of them is the key to the future—entrusted to these idiotic, insecure, drunken conformists!"

Orango fell to his knees. He wept feverishly, passionately, desperately as he kissed the glass enclosing the documents.

Suddenly he turned, pointing a finger at Aron. "What do you see, boy? Pieces of yellow paper covered with illegible doodling? Look closer than that, boy, if you intend to survive!" He covered his face with his hands, his huge body racked with convulsions.

Gavril's clear, concise voice cut through the blackness. "I'm afraid I must apologize for . . ." Before he could continue, Orango was on his feet, seething with anger.

"Apologize, eh?" Then, without warning, Orango ran straight for the Freedom Shrine, throwing all his weight against the glass . . . a blinding crash, and it shattered in a thousand pieces.

Gavril bent over Orango's inert form. With a great effort, he succeeded in dragging him to the time capsule and placing him in his chair.

Gavril walked resignedly to where we stood. He looked solemnly at Aron. "Are you aware of your duty?" Aron nodded.

"What do you mean?" I asked.

"Come." Aron took my arm. His voice resounded ominously in the lonely corridors.

"Everything Gavril said was right, you know."

We were leaning against the railing on the second floor. The view was not much: houses containing sleeping people, fat and bloated, ignorant and petty.

"You understand now, don't you?" asked Aron, urgently.

"I—I'm not sure."

Just think how wonderful it would be if I really *could* wake these people from their apathy. . . . No more weapons or wars. . . . People could live, work, and be happy.

"It's up to us," he said. I looked into his eyes and saw something there that I had never seen before. Sudden comprehension struck me like a physical blow.

"You're going with Gavril, aren't you?"

Gavril came up behind us. Aron stared at me, unseeing, then turned and walked toward the Freedom Shrine.

Oh why, why? Gavril, you have no right to take Aron from me like this. I turned my back to Gavril, feeling wretched and sick at heart. I was aware of him standing behind me. Was he having his doubts about me? You have a huge job ahead of you, I told myself.

I straightened up and turned to face Gavril with a determined look on my tear-stained face.

For a moment I thought I saw relief pass over Gavril's countenance—or was it glory? Aron stood in the shadows lost in thought. He fingered a few chips of broken glass, absently trying to piece them together.

Gavril put his hand on my shoulder reassuringly. "Do not worry about your friend. He will have the best of care. He will learn many things, and some day be a powerful galactic leader. For he already knows the first step to eternity—the Freedom Shrine."

"Please, do not feel sad. You have your own life to live, just as important to mankind. You live in a world where the Freedom Shrine still exists. Help people to understand that in these documents lies hope for mankind . . . You will do your task well." He looked deep into my eyes. "Ah, little one. So young, yet so old."

Gavril walked slowly to Aron. The pair walked side by side to the time capsule. They took their places on the platform. Gavril touched a button, and the whole apparatus began to purr. Slowly a clear dome covered the machine.

As I watched, the wall again became transparent and the time capsule receded back into the Freedom Shrine. The whole school seemed ablaze with light. As sight of the time capsule grew dimmer, I imagined I heard Aron yell through the raging crescendo of sound. "I will be back someday!"

But I can never be sure.

Nor will I ever be sure of anything again.

You see, I not only had our country's destiny but the whole future of mankind before me. There were two paths: One to glory and greatness, a harmony of human beings and nature; the other, to death and destruction, hate, war, and the eventual extermination of the species.

It was up to me—and the "Freedom Shrine!"

#### MORE FISCAL MISMANAGEMENT

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OTTINGER. Mr. Speaker, on June 28 the Federal Highway Administration announced release of \$1.6 billion in Federal-aid highway funds, effective July 1. According to the official announcement, \$1.1 billion is the regular first quarter apportionment for fiscal year 1968 and \$515 million represents the remainder of the \$1 billion in highway funds ordered deferred by President Johnson last November in an effort to reduce inflationary pressures on the economy.

I strongly protested the two-stage release earlier this year of \$525 million in highway funds, pointing out that inflation was still a serious problem and that the administration was still talking about a 6-percent income tax surcharge to meet the demands of its programs, both foreign and domestic. If anything, the pressures of inflation have increased over the past 3 months and I am once again constrained to point to the administration's failure to chart a prudent and responsible fiscal course.

It is not difficult to understand why the stock market is uncertain, why con-



sumers are confused, why Members of Congress are aroused. Estimates of the 1968 budget deficit range from the \$13.5 billion offered by Chairman Ackley of the Council of Economic Advisers to Treasury Secretary Fowler's \$20 billion to Ways and Means Chairman Mills' \$29 billion.

Yet, the administration seems to be doubletalking on its fiscal policy. On the one hand, it apparently does not feel inflation is a threat for it has requested and received, over my protest, a record increase in the national debt, outrageous appropriations for wasteful and clearly defensible programs, and now adds more fuel to the fire by releasing \$1.6 billion in highway funds. On the other hand, it threatens at 6 percent or higher regressive tax increase supposedly because it feels the threat of inflation to be serious.

Is it too much to ask that the American people be told where our economy is going and why? Is it so difficult to establish realistic priorities among Federal programs?

I, for one, Mr. Speaker, do not want to be approached later this year with an emergency tax increase bill necessitated by an unwillingness to head off the crisis now. It is not too late to call a halt to runaway Federal spending. But time is running out.

#### FUNDS NEEDED FOR GRAZING DEVELOPMENT

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. ULLMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I wish to bring to the attention of the House of Representatives a memorial from the Legislature of the State of Oregon. The legislature memorializes the Congress to appropriate \$3 million for the rehabilitation of the public grazing lands in Oregon.

This memorial is fully consistent with my testimony on March 15 of this year before the House Appropriations Subcommittee for Interior and Related Agencies. At that time, I pointed out that the Bureau of Land Management has advised reductions in grazing permits in Oregon amounting to 52,886 animal-unit-months within the next 3 years unless \$3,093,652 is appropriated for a rehabilitation program.

As I emphasized in March, it has been amply demonstrated that mere reductions in grazing use does little, if anything, to restore range lands to productive use. However, such reductions impose crushing burdens on those adjacent landowners and communities dependent upon the fullest possible utilization of public lands for their economic base.

In my congressional district, the Vale grazing project—a pilot project using modern management techniques—has shown that intensive land management does pay off.

I, therefore, urge the Congress to give

its careful attention to this memorial from the Legislature of the State of Oregon.

#### THE SILVER SCANDAL OF 1967

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, it has been evident for some years that the diminishing supply of silver in the world, against increasing industrial demands, would force the U.S. Treasury to cease minting silver coin and cease the sale of silver at a controlled price. The result has been that speculators, who were aware of this situation as early as 1960, have closed in and driven up the price of silver, banking on the hope that prices would rise suddenly on the day that the Treasury ran out of free silver.

This past month, we have seen the sad spectacle of the U.S. Treasury being driven literally to the wall by speculators, and our worst fears have been realized: silver speculators have made a killing, at the expense of the Treasury and the silver users.

It is clear that the Treasury has known as long as anybody else that there has been speculative pressure, and that it has been taking defensive measures to prevent an explosion in silver prices. Yet, when the storm finally broke in May, the Treasury found itself completely unprepared, and the result is the silver scandal of 1967. This whole affair needs investigation, and I have called upon the Banking and Currency Committee to investigate why speculators were able to command the day, and how it happened that the Treasury was unwilling or unprepared or unable to deal with the situation. I am also introducing today a bill to reinstate the silver transfer tax, which for 22 years succeeded in preventing speculation in silver.

I believe that had this tax been in force this year, speculative fever would have been much lower and the present crisis would have been avoided. As it is, the Treasury has been forced to stop sales of free silver to any except recognized industrial and business users, and has been forced to scabble about and find 150 million ounces of silver in the redemption fund for use in the free silver reserve. But this measure cannot do more than depress futures prices. On Monday, the first trading day after the transfer bill was signed, silver futures were off, but on Tuesday, they were up. The London silver price now stands at about 40 cents higher than the Treasury price.

Obviously, Mr. Speaker, the silver situation is chaotic, and fully in the hands of speculators. Even the most reputable of U.S. dealers has been forced to increase the price on silver for immediate delivery, and futures are selling at as much as forty cents an ounce above the Treasury price.

Dealers now talk about melting coinage, speculating that this will happen

when silver reaches \$1.38 an ounce, which is not far away, if the current trend continues. They talk about vast amounts of silver coming from India, if the price hits \$1.50 an ounce or more. They speak of dealers and industrial users stocking up on silver coin, so as to have a supply available. No matter what they say, they are bidding up the futures prices, and making their killings today, no matter what the real situation is or may be in six months.

Congress has known, and the Treasury Department has known that there would be speculative operations as a result of known differences between the demand and supply of silver. It is this difference that caused us to stop making 90-percent coin, and this difference that causes unrest in the market. It is a known fact that silver will rise in price, and the problem has been to prevent the market from going into speculative hands as a result of this knowledge.

The Treasury has been aware of this since 1959, and every year since 1963, I have questioned the Treasury about it. Every year, I have been told, there is no problem. I was told last year, and I was told this year, that there would be no price break in silver. But here it is. This month there is not only a price break, but we see the spectacle of the Treasury being unable to supply silver at the Treasury price, except to industrial and business users, and then only with the aid of an enormous writeoff of the redemption reserve. We see the Treasury selling 4,000 ounces of silver one day and five times that much the next, until they suspended sales—obviously because something went wrong between May 4 and May 5.

This sad spectacle has caught the Treasury unprepared. It has undermined the most reputable silver dealers in America by making them the victims of speculators. It will result in an unnecessarily high increase in the price of all silver products, all applications of silver for all uses.

I believe that we need to find out why this has happened, and when we do, I believe that the remedy will be the same as it was years ago—the silver transfer tax.

The silver transfer tax places a 50-percent tax on the gain of silver sold from one interest to another. It applies only to speculators. By making half of the gain of the speculator the gain of the Treasury, it effectively prevents speculation at all. But the tax is repealed now, on Treasury advice. I think that the time has come when we should determine whether that advice is valid.

#### WASHINGTON POST ARTICLE DAMAGING TO INNOCENT TEXAS INSURANCE COMPANY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, on June

8, the Washington Post carried an article relating to a fine imposed against the United Services Life Insurance Co., and mentioning that the House Banking and Currency Committee intended to fully investigate United Services Life.

The publicity generated from this fine has adversely affected an uninvolved insurance company in my district, United Services Life in no way connected with USAA Life Insurance Co., which is headquartered in San Antonio. However, the similarity of names has caused USAA Life to lose customers and potential business. This is most unfortunate, inasmuch as the USAA companies are, I believe, highly regarded by their customers and by the insurance industry.

Mr. Speaker, I include at this point a letter from the vice president for underwriting of USAA Life of San Antonio which sets the situation straight, and I also include my letter to the Washington Post:

JUNE 14, 1967.

DEAR MR. GONZALEZ: A published article in the Washington Post, Washington, D.C., dated June 8, 1967, disclosing that the United Services Life Insurance Company of Washington, D.C., had been fined \$10,000 by Insurance Superintendent Albert F. Jordon for misrepresenting terms of a policy in a promotional letter has caused embarrassment and potential loss of business to USAA Life Insurance Company of San Antonio, Texas. This is due, in all probability, to the similarity of names. The USAA Life Insurance Company is a wholly owned subsidiary of United Services Automobile Association of San Antonio, Texas, and neither of these companies is affiliated in any way whatsoever with United Services Life Insurance Company of Washington, D.C.

The USAA Life Insurance Company, like its parent organization, United Services Automobile Association, has a prime objective of providing an insurance service to officers of the Armed Forces and Members of the Association.

USAA Life Insurance Company, without agents or representatives in the field, has undertaken the task of offering low cost life insurance protection to its eligibles. In addition, active duty officers are considered for up to \$20,000 of permanent life insurance even if they are scheduled for duty or serving in Southeast Asia. The policy is issued without an increase in premium or a war exclusion.

USAA Life Insurance Company began doing business in October of 1963 and in this short period of time has had a very rapid growth. At year end 1966, the financial statement of the Company indicated assets of \$6,561,609.69 and a net gain from operations of \$545,171.15. The National Underwriter, issue of May 6, 1967, indicated USAA Life Insurance Company to be 487th in size as determined by insurance in force. With over 1,700 life insurance companies in existence, this is also an indicator of the Company's fantastic growth.

Since our inception the similarity of names has caused much confusion with our eligibles. We have had to make special efforts to counteract the misconception. Many of our Members have indicated that agents of United Services Life Insurance Company of Washington, D.C., left the impression that there was an affiliation.

We would appreciate any action by you on our behalf to call this matter to the attention of the Honorable Wright Patman, the Washington Post and any other media or individuals who might help prevent any further misunderstanding.

For your edification of this matter, we have attached an excerpt of the Washington In-

surance News Letter of June 12, 1967, a copy of a letter just received from one of our Members in Washington, D.C., and a summary of our subsequent telephone conversation with him.

Sincerely yours,

JAMES L. SNYDER,  
Major General, USA-Ret., Vice President, Underwriting.

JUNE 15, 1967.

The Editor,  
The Washington Post,  
Washington, D.C.

DEAR SIR: On June 8, The Washington Post carried an article stating that the United Services Life Insurance Company had been fined for violating the laws of the District of Columbia.

This company is in no way connected with USAA Life Insurance Company, which is headquartered in San Antonio, and which is known world wide for the quality and integrity of its service. However, USAA Life has suffered adverse effects because of the June 8 story in the Post. I hope that you will clarify the differences between these firms, inasmuch as USAA Life is in no way guilty of wrong doing.

With every good wish, I am,

Sincerely yours,

HENRY B. GONZALEZ,  
Member of Congress.

#### EVEN THE CHEF IS MEXICAN

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I would like to call the attention of my colleagues to a fine Mexican restaurant, the Alamo, in nearby Riverdale, Md., owned by Mr. and Mrs. John Van de Putte. If any transplanted Texans miss the fine restaurants of San Antonio as I frequently do, they will be interested to know that the Alamo approaches the best of Spanish-American food, and hints at the rare atmosphere of San Antonio. Everyone should be thinking of attending HemisFair 1968 in San Antonio next spring, and the Alamo will provide a good preview of what to expect in native food.

Mr. Speaker, I include at this point the column which appeared in the Washington Evening Star, on June 22, by restaurant critic John M. Rosson, who tried the "San Antonio" plate at the Alamo:

#### DINING OUT: EVEN THE CHEF IS MEXICAN

(By John M. Rosson)

Of all the jurisdictions in the Washington area, Prince Georges County probably is the least rewarding where fine restaurants are concerned.

You can count them on one hand and still have fingers left with which to fold your napkin.

We were pleasantly surprised, then, when we found a thoroughly enjoyable spot in nearby Riverdale this week called the Alamo, a tidy little Mexican restaurant nestled away in a small shopping area near the intersection of Kenilworth Avenue and Riverdale Road.

Not only did we find it spotless, but the Alamo, owned and operated by Mr. and Mrs. John Van de Putte—veteran area restaurateurs—boasts a Mexican chef who knows his dishes. It does not go without saying, of

course, that a Mexican restaurant has a Mexican chef. There are German restaurants hereabouts sporting Georgia-born chefs, and French spots with Algerian chefs.

The Alamo has something else, too, despite its suburban setting. It has atmosphere. The picture begins with a restrained, and therefore tasteful, use of Mexican appointments—from serapes to sombreros—but it culminates with the performances on Thursday, Friday and Saturday nights of Los Rene's, two young men who stroll about the dining room (beginning at 7 p.m.) playing South-of-the-Border music. Those are the nights to visit the Alamo. They play until 11 p.m.

As is the case with most Mexican restaurants in the Washington area, the Alamo menu falls into the "Tex-Mex" category. That is, the recipes—and they are no less authentic because of it—come as close to being those the diner would find along the Texas-Mexican border as the ones he would encounter in Mexico proper.

To put it another way, the Alamo cuisine is not as hotly seasoned as one would find in the Mexican hinterlands. It is more reminiscent of Mexican preparations found in Mexico City restaurants and in Texas. Of course, the diner can make them hotter. All he has to do is dip into the bowl of salsa picante, the pepper-hot Mexican sauce.

For purposes of wide sampling, we chose the Alamo's San Antonio dinner: A plain chopped lettuce and tomato salad (with oil, vinegar and salsa picante), a bowl of tostados (crisp cornmeal chips), a delicious taco (a tostado filled with meat, chopped lettuce, onion and tomato and seasoned with hot sauce), cheese-filled enchiladas, a meat-filled tamale, frijoles refritos con queso (Mexican beans) and arroz Mexicana (Mexican-style rice). We finished with flan (the rich Latin custard topped with burnt caramel sauce) and coffee. The bill came to just over \$3.

There are many such offerings at the Alamo. In most cases the arrangements make provision for a sampling of many dishes. However, if the diner has a favorite there's an a la carte listing, which means he may do his own selecting.

Again, like most Mexican restaurants in the area the Alamo makes a token effort to aid the non-adventurous guest. It lists three American offerings: One steak, one chicken and one seafood dinner.

Finally, the Alamo offers better than average service. What our waitress lacked in cheerfulness she made up for in promptness. Perhaps she'd have been happier if she'd made out better in her effort to help another waitress don earrings. The little vignette included a lengthy consultation, a phone call, the daubing of rubbing alcohol on the earlobes, the insertion of the rings, and at least four checks and discussions in front of a nearby mirror. Surprisingly, the pretty duo somehow kept their eyes on the tables and, as far as we could determine, left no one waiting.

The Alamo address is 5508 Kenilworth Avenue. Since it's a bit difficult to spot, the driver heading north on Kenilworth should look for the big Acme store on the left side of the avenue just before coming to the Riverdale Road intersection. The restaurant is next door.

The Alamo hours are 10 a.m. to 2 a.m., Monday through Friday, and 1 p.m. to midnight on Saturday. It's closed on Sunday. The kitchen is open at least until 10 p.m. nightly. The later hours are for the benefit of those who want to patronize the bar, a room separate from the dining area.

#### PROGRESS IN THE DOMINICAN REPUBLIC

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman



from Texas [Mr. WRIGHT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WRIGHT. Mr. Speaker, in a crisis-prone world it heartens us to point to a major trouble spot of the past which is showing signs of progress toward constitutional democratic government. This is our close neighbor in the Caribbean, the Dominican Republic.

On July 1, the constitutional government of President Joaquin Balaguer completed its first year in office. This year has been the longest period of freely elected government in that country in almost 40 years. It is true that conditions for political unrest and upheaval are still present—even though dormant—there. But the Dominican people have come a long and encouraging way from the chaos and dangers of the crisis in April 1965.

Under the harmonizing and stabilizing influence of President Balaguer the Dominican people have had the opportunity to lay aside some of the differences which so bitterly divided them over the preceding years. They have been able to plan and to work at the task of economic and social development.

The obstacles and difficulties that remain are formidable enough to require their best efforts. The economy is not yet diversified and balanced enough to be able to support a modern nation. The country is largely dependent on sugar production for foreign exchange earnings. Its other agricultural resources have not been sufficiently developed. Imports are running far ahead of exports. The private sector of the economy is undernourished, and it needs more encouragement. Unemployment is high.

President Balaguer has brought austerity measures and sizable development programs to bear on these problems, and the United States is doing its part with substantial technical and financial assistance to advance these programs as rapidly as possible.

The objective of all this is basic and radical change. We should not expect it to come about easily, but fortunately the Dominican people seem to be committed to the effort, and with continued stability there is reason to believe they will be increasingly successful.

#### THE SUMMIT AT GLASSBORO—THE PRESIDENT STATES THE AMERICAN POSITION

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RESNICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RESNICK. Mr. Speaker, last month's summit conference was much more than a bargaining session between two world leaders. It was a remarkably personal forum in which President John-

son could make unequivocally clear the American position on Vietnam, on the Middle East, on the arms race, on the nonproliferation of nuclear weapons, and on a host of other economic and diplomatic issues which could bring the Soviet Union and the United States closer together or could carry us to the brink of disaster.

It is always better for one's adversary to know your position. There are fewer possibilities for mistakes.

Thus, I believe the summit was of inestimable value. It permitted President Johnson and Premier Kosygin to sit down together and exchange personal views about the tenuous state of peace in the world.

I believe the President deserves credit, and the polls indicate that he is receiving it, for having made the meeting possible, and for having sought every avenue to peace.

It is apparent that the majority of Americans support the wisdom of the summit meetings, and that President Johnson was reflecting the national will when he went to those meetings as our representative.

I insert in the RECORD editorials from well-known newspapers which explore the meaning of the summit, and which applaud the President's efforts there.

The editorials follow:

[From the Cheyenne (Wyo.) Eagle, June 27, 1967]

#### JOHNSON-KOSYGIN TALKS

We are not among those who seem to believe the just-concluded talks between President Johnson and Soviet Premier Kosygin were a waste of time.

The talks gave the leaders of the two most powerful nations in the world a chance to become a little better acquainted. They made for a little better understanding, and they may have paved the way for a little closer communications in the future.

As President Johnson noted, sometimes "it does help a lot to sit down and look at a man—right in the eye—and try to reason with him, particularly if he is trying to reason with you."

"We may have differences and difficulties ahead, but I think they will be lessened, and not increased, by our new knowledge of each other."

News reports indicated the two world leaders were far apart in their views—ran into vast areas of disagreement—during their talks which were described as blunt but never reaching the point of warnings or ultimatums.

One report said the only area in which the two seemed to have agreed was on what the President termed "the urgent need for prompt agreement" on a treaty to prevent the spread of nuclear weapons.

Kosygin still contended, at the close of the talks, that the United States "is continuing its aggression" in Vietnam and that the United States must quit bombing North Vietnam and withdraw its troops from South Vietnam. And he still contended that the first step toward settlement of the Middle East crisis is condemnation of Israel as the aggressor and withdrawal of Israeli troops from captured Arab territory.

Yet, the President said, "even in Vietnam I was able to make it very clear, with no third party between us, that we will match and outmatch every step to peace that others may be ready to take."

Even before the talks began, no one really expected President Johnson and Kosygin to come up with solutions to the many, knotty

world problems or even to alleviate, drastically, the tensions of the cold war.

In fact, last Friday, the President himself, warned that his talks with Kosygin would not necessarily ease Soviet-American difficulties.

But, as the President said Sunday, "sometimes in such discussions you can find elements—beginning—hopeful fractions—of common ground, even within a general disagreement."

He also said that the talks had made the world a little smaller and "a little less dangerous."

If this turns out to be the case, the talks will have been well worth the time and effort.

Even though it appears the two leaders made little or no progress toward solving the major problems of the world—even though the United States and Russia are as far apart as ever—it seems certain that the weekend talks reduced misunderstandings. And that, in itself, is important in this world of tensions and nuclear weapons.

[From the Washington (D.C.) Star, July 1, 1967]

#### THE GREAT INTERNATIONAL GAMBLE

(By Gould Lincoln)

President Johnson has emerged from the Glassboro "summit" conference in stronger position in this country and in the free and non-aligned countries.

Soviet Premier Alexei N. Kosygin, on the contrary, while doing what the Politburo in Moscow ordered—what he was expected to do—by his complete intransigence in regard to the Vietnam and Middle East situations has revealed himself and his government as no friends to negotiated and just peace in either area.

His demands that the United States, as a preliminary to any peace talks in Vietnam, not only cease bombing targets in North Vietnam but remove its armed forces from South Vietnam are recognized, except by the extremist "doves" as entirely unrealistic. And so are his demands that the Israelis retreat to their old lines before the war on June 5 as a prerequisite to any discussion of the recognition of Israel as a sovereign state and of its right to free access to the sea.

The Russians having lost out while backing the Arab Nations, headed by Nasser's Egypt, in their war of extermination against Israel, are doing their best to win a so-called peace, and to regain some of their own lost prestige—all of which was predictable and evident to the world. However, it is not necessary that the Russians be permitted to win the peace.

This is not to say that the Glassboro conferences between Johnson and Kosygin were without value. During their many hours both were able to explore the problems in Vietnam and in the Middle East and to state their positions. It is possible to report that Johnson exhibited a certain degree of flexibility, without yielding in any way to his basic demands for a just peace, a peace in which the South Vietnam republic and its people will be free from further Communist attack, and a peace in the Middle East that will do justice to Israel and to the Arab nations.

Just what it and how far the "spirit of Glassboro" goes have yet to be developed. The hope has been expressed in many quarters that it will lead to a reduction in world tensions. This, however, is still just a hope. One thing is all to the good. Direct lines of communication between the President of the United States and the Soviet premier remain open. If, as so often has been said and written, the Russians want peace, it is within reach. If, however, it is peace on their own terms alone, it is not likely to happen.

Kosygin was cordially welcomed by the

Americans and he expressed his pleasure at their welcome, and that so far constitutes the "spirit of Glassboro." In his later press conferences he said frankly that no agreements had been made and his position and that of his country had not changed.

Johnson said much the same thing, though he went further and expressed a hope that something might be done in the future for the cause of peace.

Like his predecessors in the White House, he has again and again announced he was ready to seek peaceful settlement of the issues that have divided the West and the East ever since the conclusion of World War II.

While Kosygin had an opportunity to see the United States for the first time and to see American people in their own country, the American people were able to see and to hear the Russian premier. And what they heard, although commentators urged that it was for home consumption and for the ears of the Arab nations—and for the Chinese—sounded very like a contemptuous attack upon the United States and its policies. Traditionally, Americans do not like to be kicked around by any one, be he king, emperor, Fascist or Communist dictator.

So far as is known today, Kosygin has left the leaders of this country still in the dark as to Russia's aims. And some of them are saying it is a big gamble what the Soviet Union will do—the same gamble since the days of Lenin. It is a gamble this country has to face, and not from a position of weakness. Johnson has recommended patience—but not without firmness.

#### CONGRESSMAN HAMILTON'S ADDRESS TO INDIANA FUTURE FARMERS OF AMERICA CONVENTION

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HAMILTON] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HAMILTON. Mr. Speaker, a wonderful group of young Hoosiers gathered recently at Purdue University for the 38th annual Indiana Future Farmers of America Convention.

This year it was my privilege to deliver the keynote address to these young men and women who are so vitally important to the future of our State and Nation.

The text of my remarks follows:

I don't want to speak to you tonight from false pretenses. I am not a farmer. I have never plowed a furrow, either straight or crooked. I have milked a cow but it was not altogether a satisfactory experience. As a matter of fact, it was almost agonizing for me as it was for the cow.

But I come here as one with unbounded admiration for farmers. Daniel Webster, the great statesman of the early 19th Century, made the observation that farmers are the founders of civilization and prosperity. I have come to know enough about the economy of this country and the economies of many less developed countries around the world to know that Daniel Webster knew what he was talking about.

One reason I admire farmers is because they have a talent for growing things. You see before you a man whose flair for growing things runs to crabgrass in lawns and weeds in flower gardens.

In preparation for this speech I began to read the Creed of the Future Farmers of

America. I say I began to read because I couldn't get much farther than the first few words. Those words are, "I believe in the future of farming."

The question that immediately popped into my mind was: why should you?

There are some facts about farm life in America today that are deeply disturbing. They must cause any young man or woman, thinking about his future on a farm, a moment's pause, thoughtful hesitation, or even genuine doubt.

Listen to some of these disquieting facts:

1. People are leaving the farms in large numbers. An average of 800,000 people have left the farm in each of the last five years. In the past 3 decades the farm population of the nation has shrunk from 32 million to 12 million.

These people are not persuaded there is a future in farming. The question posed in that popular song during World War I has not been answered. "How're you gonna keep 'em down on the farm, after they've seen Paree?"

2. Farmers are getting older. By 1970 nearly half of the farmers in America will be 55 years of age or older.

Fewer and fewer young people are studying agriculture in the nation. The number of agricultural undergraduate students decreased from 12½% of total enrollment at land grant institutions in 1951 to 3.9% in 1965.

Evidently fewer young people believe they have a future in farming.

3. The number of farms are declining. There were 6.4 million in 1940; today there are 3.2 million.

4. The farmer is not getting his fair share of the nation's prosperity. On the subject of how is a farmer doing, you can become involved in an avalanche of statistics and comparisons. I am usually reminded of James Thurber's response to the routine inquiry of a friend who asked him, "How's your wife?" He replied, "Compared to what?"

Likewise, the farmer's income depends largely on what it is compared to.

The important point for our purposes is asserted to by all. The farmer is not being adequately rewarded for his efforts.

5. The farmer is not sufficiently appreciated by the American people. The American people must soon realize that broke farmers cannot continue to produce our present abundance and that present prices are not sufficient to bring to and hold in agriculture young people like yourselves, and other resources to support abundant production.

In view of these circumstances, how can you recite that Creed of the FFA, "I believe in the future of farming?"

I am reminded of a story about John Adams. During the great debate in Philadelphia in 1776 over the adoption of the Declaration of Independence, the opponents of the Declaration spoke first.

They pointed out that a Declaration of Independence would not strengthen the country by one regiment or one cask of powder. They said to declare for independence was like destroying your home in the winter before you had another shelter. They said to declare for independence meant war: A war for which the colonies were unprepared—economically, politically and militarily.

There were a hundred arguments against independence, all of them forceful and persuasive:

The people had not spoken clearly.

The time was not right.

The Congress had no power to declare independence.

The colonies were not united.

The British war machine would overwhelm them.

Then John Adams was given the assignment to respond to the opponents of the Declaration. He came out with the power of

thought and expression that moved the delegates. He poured his soul into the debate and the resolution for independence was adopted.

Logic, reason, many facts may have supported the opponents of the declaration. History as it unfolded did not.

Logic, reason and some facts may be evoked to persuade you that farming is not a good future. But, I believe, history as it unfolds will applaud your belief, and your future in farming.

There may be some facts which should make you examine carefully your decision to farm. Some may even suggest that there is not a future in farming.

I take heart from you and I agree with you. I do not agree with the voices of gloom and doom in American agriculture. I join you in saying that there is a future in farming today.

The facts I recited are only the dark side of agriculture. The bright side includes the following:

1. Farm income—Last year, net farm income climbed to \$16.3 billion, the second highest in history, while total gross income by farmers was setting an all-time record. The net income figure was 40% greater than it was in 1960 and 15% higher than in 1965. Realized net income per farm was setting an all time record at \$5,024—this is 19% higher than the previous year and 70% greater than 1960.

2. Grain exports—Exports have risen dramatically, especially in feed grains for dollars. Feed grains became our largest single dollar earner of any export last year—agricultural or industrial. And increased exports are reflected in higher prices. On April 15, wheat was 15¢ higher than a year ago and corn was up 7¢.

3. Reduced surpluses—Those surpluses which plagued us in the 1950s are all gone. By January 31, this year, the investment of Commodity Credit Corporation in farm commodities was down to \$4.3 billion, a reduction of nearly \$2.5 billion from 1966 and \$4 billion less than the peak years of 1956 and 1959. Of greatest importance, however, is the fact that surpluses have been reduced without depressing farm income. In fact, prices in surplus commodities have moved steadily up as we have disposed of the surplus in government storage.

4. Family farms—There has been an increasing number of family farms graduating into the "adequate size" class in recent years. Since 1959, nearly 200,000 farm families have moved to gross sales of \$10,000 or more a year. They are gaining on city workers and approaching parity of income.

5. Soybean and feed increases—Producer receipts, as of April 15 this year, were up \$564 million in wheat and \$381 in feed grains—as compared with 1965. Income from soybeans was up \$537 million compared with 1960.

There is a future in farming for you because you will have a sure sense of your own usefulness.

You practice what Thomas Jefferson said was, "The first and most precious of all the arts."

Not the least of blessings that come to a man is a sure sense of his own usefulness. Surely this blessing comes to a farmer. Upon him people are dependent for food and, thus, life itself. Thomas Carlyle understood the necessity of feeling useful.

It was he who wrote: "Blessed is he who has found his work." And Thomas Carlyle knew whereof he spoke. He had tried the ministry, but he gave it up because he said most of his fellow clergymen spent more time studying the Bible than the Bible. He tried the Law, but he gave it up when its drudgery and technicality drove him to despair. He tried teaching, but he gave it up when he lost patience with mediocrity and stupidity. He worked at each pursuit with-



out joy doing his duty as he saw it, and then he turned to writing.

He experienced an immense victory. He found an inner satisfaction and it was then that he wrote "Blessed is he who has found his work." And having found it, the consequences to Carlyle were tremendous. This average lawyer and mediocre minister, the run of the mill teacher became one of the great men of English literature with his flamboyant and bombastic style assuring him a place in the sun.

The farmer at his tractor must have a feeling of kinship to Carlyle or to Michelangelo, who said as he worked on the statue of the David: "It is only well with me when I have a chisel in my hand."

He must share with Carlyle a sure sense of his own usefulness.

By obtaining mastery over plants and animals in the development of agriculture the farmer enables more than 3 billion people to inhabit this globe. Without him, if man had to revert to nature, only one person out of every 1,000 alive today would be able to survive.

Recognizing that, can a man farm and not feel useful?

You as a farmer know that your productivity is the underpinning of a vigorous economy. Agriculture is the single most dynamic force in a dynamic American economy.

The observation of William Jennings Bryan is still true. He said: "Burn down your cities and leave our farms and your cities will spring up again as if by magic. But destroy our farms and the grass will grow in the streets of every city in the country." The amber grain, the verdant corn, the fruited plains have become a major economic force in this country and abroad.

As a farmer you will be the most productive worker in a marvelously productive,  $\frac{3}{4}$  trillion dollar, economy.

One worker on the farm today feeds and clothes himself and 32 others. By 1975, he will feed and clothe 50.

Today the farmers' assets total \$273 billion with an equity ratio at a very favorable 83%.

That 5% of our population can produce so much is one of the truly incredible achievements of the 1960s. It is an indelible tribute to the ingenuity, the enterprise and the usefulness of the American farmer.

If the farmer didn't produce a thing, he could still be an enormous economic asset because he is the nation's biggest consumer. He spends more than \$30 billion annually for goods and services, buying 7% of the nation's steel, 10% of its petroleum, 9% of the nation's rubber.

In fact 3 of every 10 jobs in private employment in the nation today are related to agriculture.

Not long ago I was talking with several of my colleagues in the Congress, all of whom represent big cities. They were curious about Indiana, and I suddenly realized they thought of our state in terms of a rustic, homely, quaint Indiana—warm, friendly, easy-going. They thought of Indiana farmers sitting around the old pot bellied stove, smoking the corn cob pipe, spouting epigrams and witticisms, living the life so wonderfully pictured by James Whitcomb Riley. It may be part of our history, it is certainly part of our folklore, but it simply isn't true anymore.

We have a job to do in telling our big city representatives that the Indiana, the American, farmer is a vital, indispensable, incredibly productive person, without whom the cities would crumble and deteriorate with alacrity.

That is why Congressman Ed Roush and I have invited Congressmen from the three largest metropolitan centers in the nation to visit Indiana farmers to exchange views on urban and farm problems.

We are concerned that the big city representatives do not fully appreciate the importance of the American farmer in maintaining the security, strength and prosperity of the nation or the seriousness of the economic plight of the farmer, caught in the grip of a cost-price squeeze.

We want the metropolitan Congressmen to visit cornfields, hog barns, cattle sheds, watershed and soil conservation projects and to meet with Hoosier farmers for informal conversations on the wide variety of common concerns in urban and rural life. It is our hope that as a result of their visit to Indiana, they will have enjoyed Hoosier hospitality, experienced the flavor of Indiana rural life, and gain new insights into Indiana agriculture and its problems.

As a future farmer, you in Indiana enter one of the richest agriculture regions in the world. Indiana ranks third in this nation in the production of corn and hogs. You become one of the genuine miracle men of the day. The record your predecessors have compiled is one that just doesn't fit into the stereotype Hoosier farmer of old.

Indiana agriculture is a \$5 billion a year business with an investment per worker of \$74,000, three to four times as much capital investment to create one job in agriculture in Indiana than in American industry. Indiana agriculture is a big, complex business and it takes a highly intelligent, hard-working man and woman to succeed at farming today.

As farmers, you will have a sure sense of your own usefulness because the food-population crisis has cast the American farmer in a vital new role.

It can be said without exaggeration that the American farmer must be regarded as one hope of the world in years ahead. His task is not to feed all the people everywhere, which would simply be impossible. But his task is to help fend off a global catastrophe while effective solutions are being worked out. His task is to go into all the world, telling the story of the secrets of his productivity.

The simple fact is that next to the pursuit of peace, the greatest challenge to the human family is the race between food supply and population increase. That race tonight is being lost.

It is an irony of tragic proportions that with the enormous productivity and technology of American agriculture, we have a crisis in the world in the most elemental task: feeding ourselves. Surely the first obligation of the community of nations is to provide food for all of its members.

Secretary Rusk, who goes from crisis to crisis, said to a group of us the other day that rarely a day goes by that he is not engaged in a food related problem.

The underdeveloped nations of the world are slowly learning that they cannot neglect the development of their agricultural sector. The American farmer is the key man as this nation extends help to those countries which are determined to expand their own food production and are willing to make agricultural development the top priority.

The only effective solution to the world food problem will be to export to the underdeveloped countries not surplus food—except in cases of emergency—but to export the knowledge, techniques and the tools of the American farmer which have produced the abundance that we enjoy.

The old Chinese proverb is "If you give a man a fish, you feed him for one day—if you teach a man to fish, you feed him for many, many days."

Jonathan Swift wrote, "Whoever could make two ears of corn or two blades of grass to grow upon a spot of ground where only one grew before would deserve better of mankind and do more essential service to his country than the whole race of politicians put together."

That's not very complimentary to those of us who are politicians, but I must acknowledge the truth of the statement.

The future farmer can say with assurance "I believe in the future of farming" because he is indispensable, sure of his own usefulness:

In providing food and fiber for his countrymen,

In providing the economic underpinnings of a prosperous economy,

In becoming the major asset in the war against hunger.

Farming will demand the full use of your powers: your physical energy, your intellectual capacities, and your moral fiber. Farming is no longer just a job. It is a skillful profession. It is no longer the solitary, burdened figure pictured in Millet's "The Man with a Hoe."

Today's farmer manages men, machines and capital. He knows horticulture and animal husbandry. He is an appraiser of scientific developments and an analyst of consumer needs. He is a marketing strategist. He is a laborer and a mechanic, a conservationist, a community leader concerned with the revitalization of rural America.

Your future in farming will be exciting and challenging.

The long hours of drudgery doing farm chores will be drastically reduced. Week-ends off will become possible even for the livestock feeder. Family farms will be 600-1000 acres with  $\frac{1}{4}$  million invested. You will have far more control over your market and your bargaining power will grow. Your rural communities will be healthier, stronger, more vigorous. Science will push and prod agriculture into achievements we can only dimly foresee.

Computerized weather analysis systems will guide the time of planting, fertilizing and harvesting crops. Push button feeding operations will control the blending, the processing and delivery of feed to livestock and poultry. New types of harvesters will become common, like the mechanical tomato picker which gathers as many tomatoes in one hour as can be picked by 60 farm hands or the new lettuce harvester which bypasses heads of lettuce not yet mature. Herbicides with the magical talents of killing weeds and pests but not grain are being developed.

The day is not too far off when farmers will be able to dispense with cultivation of his crops altogether.

Even today agriculture uses more units of atomic energy than any other single peacetime industry. The fly and the screwworm commit hari-kari as the result of the use of atomic radiation preventing reproduction.

An expert on Southeast Asia told me that the single most important development in all of Asia in recent years came not from the statesman, but the farmer who developed a tough, resilient strain of rice which will enable the rice farmer to enrich the diets of millions and help to resolve the food crisis problem.

And to those of you burdened with the daily chores of the farm, the day of the push-button farm will come sooner than you think. When it does, you or your children will put your unmanned machines into operation by directing them with radio signals while you watch on a TV scanning screen in your office.

But don't be misled by dreams of the future. Remember the disturbing realities of farming I mentioned earlier.

The future for the farmer will not be easy. His path is beset with many obstacles. But farmers have been and are problem solvers.

If a machine won't work, they fix it; if soil is washed away, they conserve it; if land is dry, they irrigate it; if production is unsatisfactory, they fertilize.

According to the faith of a democratic society, freemen respond to the challenge of problems wherever found. The farmer will use his full powers to respond to the real chal-

lenges on the farm. The nation, indeed the world, depends upon him.

All of us want to build and grow and create. Your predecessors in farming have done this in a remarkable way. They have conserved and improved and made use of our natural environment to the benefit of all of us. And we draw strength and encouragement from what they have done for the nation.

Accept the hard realities of agriculture, but don't ignore the accomplishments. I cannot share the gloomy forebodings of many voices in agriculture today. I know you do not either, because you say: "I believe in the future of farming."

I look forward with you to a great future for farmers in Indiana and in the nation. A future in which they will match their performance with their potential, their wealth with their resources, their power with their purpose.

I look forward to a rural Indiana, restless, thriving, striving, developing its natural environment, harvesting its rich crops, making its economy vital and vibrant. And I salute you for the major parts you will play in making rural America strong, and free and productive.

#### NATIONAL GUARD UNITS AND LAW ENFORCEMENT OFFICIALS HAN- DLE VANDALS IN LAKE GENEVA, WIS.

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, I realize that in the immediate future we shall be considering H.R. 421 and the possible prohibition of riots and other civil disturbances, but I would like to bring up a matter which occurred during the recess which relates to such disturbances.

The Fourth of July holiday was spoiled for residents, merchants, and visitors in my district when several thousand young men and women absolutely ran amok. There were no racial overtones, and this is one reason the potentially explosive series of incidents was able to be handled without the usual cries of "police brutality."

I am sorry that our friends in the other body have not yet passed a bill on the desecration of the flag, for this is one of the events that transpired at Lake Geneva, Wis., during the disturbance. Fortunately, there was a group of about a dozen Vietnam veterans who were attempting to enjoy a holiday in the area, and they did battle with the young marauders when a flag was burned. Although not totally successful in their efforts because of the sheer weight of numbers opposing them, the veterans did raise a new flag the next day and acted as guards to prevent the vandals from repeating the unfortunate action.

The successful effort which turned back the rioters and saw them jailed—some 500 strong—was a tribute to local government and an example of community cooperation. Mayors, sheriffs, police chiefs, deputies, and the National

Guard were more than a match for the invading throng.

The local law enforcement officials in Lake Geneva, Delavan, and Fontana are to be particularly congratulated for their valiant effort to maintain law and order. It is not easy for a policeman to stand his ground against a thousand ranting and raving hoodlums. These men did their jobs and are a credit to our Nation. The judges who handed out stiff sentences and fines to the then more docile marauders are also to be commended. A slap on the wrist is not sufficient punishment for a participant in mob violence, and the judges taught the visiting vandals this fact in no uncertain terms.

But my real point in taking the floor today concerns the excellent action of the Wisconsin National Guard. Col. Hugh Simonson, chief of staff of the unit, demonstrated the versatility of Guard units, and showed us once again how much we do need the National Guard.

Administration leaders who would abolish National Guard units had best think twice about law enforcement emergencies, times of State and local disaster, rioting, in addition to the backup and reserve strength the National Guard furnishes.

I am proud of my district residents and the Guard units who have done such an effective job in showing the Nation that rioters and hoodlums can and will be handled when the task is performed by individual States and localities.

#### THE GROWTH AND FUTURE OF RURAL AMERICA

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ZWACH. Mr. Speaker, this month the Rural Development Subcommittee of the House Agriculture Committee will continue hearings on the growth and future of rural America.

I have high hopes that the subcommittee will make a helpful contribution to the development of the American countryside. Today the exploding population of urban areas has created a crisis in the city. Metropolitan areas simply cannot provide clean air or water or adequate transportation, schools, housing, roads, or other facilities rapidly enough.

At the same time the heavy migration of people to the cities has created a crisis in the countryside. Presently, there just are not enough jobs to take care of our rural people. The problem is complicated by consistently low farm prices. Recently, parity slipped to a low 72 percent of a fair price. Administration farm policies to allow large quantities of competing imports have aggravated this situation even more. Many family-farm food factories have been forced to shut down.

As soon as I came to Washington, I urged early hearings to study country

problems. Basically, what we need to do is determine how we can expand industry and encourage new business in our rural areas. The countryside has been denied the financial increases granted to all other American industries. We have the finest labor markets, because people are hardworking, conscientious, and honest. The countryside is the place to live and work and play and pray.

Mr. Speaker, a number of people have worked hard for countryside development. Mr. G. B. Gunlogson, founder of Countryside Development Foundation, Inc., recently presented a proposal for a congressional Committee on Countryside Affairs. Mr. Don Olson, editor of the Marshall Messenger in Lyon County, Minn., has done a great deal of work in this area also. Recently he testified before the Rural Development Subcommittee of the House Committee on Agriculture. Mr. O. B. Augustson, editor of the West Central Tribune of Willmar, Minn., has spoken out on this issue for many years. He is a real leader in the movement in central Minnesota.

Although many others have played a vital role in the development of the countryside, these three have made outstanding contributions. I should like to have articles written by them printed in the CONGRESSIONAL RECORD. Mr. Gunlogson outlines his proposal for a congressional committee. Don Olson reviews one aspect of our difficulty, the dilemma faced by dairy farmers. Mr. Augustson raises significant questions facing rural America today.

The material referred to follows:

#### A PROPOSAL FOR A CONGRESSIONAL COMMITTEE ON COUNTRYSIDE AFFAIRS

(By G. B. Gunlogson)

This proposal for establishing a Committee on Countryside Affairs is hereby submitted to leaders in Congress.

The American economy has been so dynamic and complex that some of its basic elements have been thrown out of balance. Technology has almost completely changed former methods, sometimes at the expense of certain groups of people and sometimes at the expense of wide areas and communities.

The most critical area of imbalance and lack of understanding has grown up between the urban and rural segments of the nation's economy. Yet there has never been a time in our history when their interdependence and mutuality of interests and resources were so essential to human progress. This committee could do much to explore the relationship and provide a body of information and understanding in light of today's changing conditions and needs.

There is much convincing evidence that many of our most perplexing economic and social problems would have been avoided or greatly minimized if the public had been better informed about these conditions. Certainly it would have provided some basis and facts to guide individuals in planning their affairs and to adjust to changing conditions.

The committee would provide a forum and bring to public attention a wide range of viewpoints from leaders in the countryside, in cities, in industry, government and education concerning causes and solutions of problems that confront both cities and countryside. Most importantly, it could help give direction to the many discordant influences and forces that are now shaping the future.

The countryside is not just an incident in the nation's affairs. It is the foundation of



our whole economy. The United States is 98 percent countryside and 2 percent cities in terms of area and natural resources. Its affairs transcend current issues in importance. Almost every aspect of human welfare is tied to the countryside. These are the circumstances to examine. Because of the complexities and scope of these aspects, only some of them are summarized here:

First. Ever since the land was first settled, the countryside has been primarily dependent on raw materials from its fields, forests, and mines. Each community became increasingly dependent on one commodity or a single source of income. Most of the enterprises in towns, in effect, grew out of the land. This became the pattern and the ceiling for the countryside economy.

Meantime, the development of highly varied industry and business became the function of cities. This economy became more creative and dynamic, and advancing technology favored this growth. The goal of cities became growth. They became the symbols of American progress.

The cities acquired many great qualities, including grandeur and excitement, important cultural centers, great political power and money potential, compelling acquisitiveness, tremendously influential metropolitan press and other media. At the same time, many are now in deep trouble from population pressure, rising costs, and taxes. Many of them are no longer suitable for the development of the kind of industry that can provide wide employment for middle-class people. Economic and social problems and human despair are prevalent in increasing numbers of big cities.

Second. These growing contradictions make it clear that cities cannot stand by themselves. They are a part of the whole national picture and should be viewed in this perspective. About 98 percent of the United States lies outside the big cities. All agriculture and nearly all natural resources, over 24,000 places and country towns under 10,000 population (as listed in the Rand McNally Road Atlas), and 65 million people compose the countryside complex.

Third. Both human and natural resources are at stake. Already the human environment in many high-population centers has become polluted. Lakes Erie and Ontario are reported dying. The time has come when we must consider new alternatives.

Our vast natural resources and living space cannot be effectively used by the greatest number of people when more than 100 million continue to be squeezed together and increasingly constrained within less than 2 percent of the 3.6 million square mile area of the United States. This incongruity becomes even more apparent when it is realized that these conditions are also creating problems in the rest of the country and leaving its great potential of land and natural resources relatively underdeveloped.

Fortunately, the symptoms of these circumstances may be leading a growing number of people toward a more realistic future. This movement would combine city values with those qualities that exist only in close proximity to the good earth. This kind of town and country development is taking place in many parts of the country. While some of the phases are still in their formative stages, there are no less than 5,000 small cities in the countryside ranging in size from one to fifteen thousand or more that serve as prime examples. In this development we may find the answer to many of the most baffling problems that now confront the country.

Fourth. Agriculture is responsible for more than 35 percent of all jobs in the country, but more of these jobs are being created outside than within the countryside. In many of the richest agricultural areas, whole communities have been deteriorating and left in decaying circumstances. This has

been laid to technological advancements. Much of the technology has served as a two-way pump, sucking money and people away from the countryside and returning finished goods. The process has impoverished the economy and created a human wasteland in many areas of the countryside.

But technology per se is not biased; it can be directed to serve the public welfare at all levels. It is just that the value system applied to it has not been thought out to end objectives. We have been more concerned with machine efficiency, production efficiency, and cost effectiveness than with living effectiveness, with environmental effectiveness, or with effects on the human being.

While the farmer is the most efficient producer in industry, judged by almost every yardstick that may be applied, the rank-and-file farmer remains the most underpaid member of the production economy. This efficiency has not been willed to him. Before the turn of the century, he had developed the most efficient agriculture in the world; and this enabled the country to become a lender instead of a borrower nation. In all our history of foreign relations, the farmer has probably been the greatest good-will builder we have had.

Fifth. There is widespread concern in the countryside about a growing land "monopoly." In some sections of the country, large land holdings are now in the hands of absentee owners, some of whom are big corporations. Invariably, the communities suffer, opportunities disappear, and people move out. This kind of "monopoly" could become far more serious to the quality of living conditions in the country and to the future welfare of the American public than the kind of economic monopoly with which the government has often been deeply concerned. It is well that we look at these symptoms now, or we may have to face up to "land reform" measures later, such as now confront many nations.

The relationship of people and the land resource is not a new issue. It was early recognized that the people who owned their land and homes became better community builders and better citizens. Our system, which has encouraged wide individual ownership of land, homes, and property, has been in a large degree responsible for the initiative and enterprise of the American people.

Sixth. No longer can farming alone support the countryside and provide opportunities for the people who live there. The economic base must be broadened by diversification. Not only is farm labor being replaced by machinery, chemicals, and higher-yielding seed, but many substitutes are continually replacing farm-grown products. For example, hand-made fibers now account for about 50 percent of all textile fibers. Wool consumption has gone down from about 9 percent of the total in 1950 to less than half of that.

The impact of these developments has been enormous. *Now less than one family in five is farming, while four out of five have to make a living in town or get out.*

It has long been clear that the decline of most country towns has resulted from lack of economic diversification. It makes no difference whether the industry is single-crop agriculture, mining, one-plant manufacturing, or exclusively forestry. Single economy in a community tends to stagnate and to limit local opportunities and to degrade the community. Individual initiative and skills have little chance to develop, and the more progressive and competent leave the community.

These conditions have been in the making for a long time. The processes of adjustment will come slowly. Unless they grow largely from within and are tailored to the condition in each community, they are not likely to bring permanent improvement. If

these facts had been recognized in time, Appalachia probably would not have become the poverty symbol it is today.

Seventh. We must begin to look to the countryside for much more than raw materials. Nowhere else are there to be found greater future opportunities for industry and new business development. Nowhere else is investment safer. Nowhere else is the environment so friendly nor the air and water so fresh. Here are the green earth, ample living space, and all the vital resources to sustain the highest standard of living to be found anywhere in the world.

*Much of the vitality, the planning, and the progress in the countryside are centered around its small cities.* It is important that they continue to go ahead. They provide business services, educational, health, social, and recreational facilities, and opportunities for young people. To support such a town requires diversification and people. The country towns are the gateways not only to all our land resources but to a new kind of future for millions of people. People in the country are eager to move forward.

Farmers, too would have as much or more to gain than anyone. Such development could bring more local processing and packaging of farm products as well as increase local consumption and demand for various products of the land. It would mean more local opportunities for farm families, and there would be more incentive to plan for their future in their own communities.

*Actually, a great deal of progress is already under way.* It has gone on without attracting much public attention, yet much of it has contributed more to our basic resources than many skyscrapers. More than 9,000 towns and small cities now have modern highways, power, improved educational, health and recreational facilities—often better than found in big cities. Lakes, waterways, vacation areas, forests, and soils have been improved. In 1965, 57 million acres produced 4 billion bushels of corn compared with 2.08 billion bushels from 100 million acres in 1930. This is progress in which the whole nation has been sharing.

The concept of diversification and creative development of industry and business is still very new in much of the countryside. Yet there are many towns and small cities in every state that are outstanding examples of what initiative and inventiveness can do. *Their experiences should become more widely known.*

Many leaders in government and industry are advocating more industry and business development in the countryside, and they are becoming more numerous every week. Representative John Zwach has recently stated: "I am making development of the countryside one of my primary efforts in Congress." Secretary of Agriculture Freeman pleads: "More people moving into the cities means more problems, more waste, more loneliness and more despair . . . A 180-degree turn in the thinking of big city-oriented America is necessary to save the cities and revitalize rural America." From Mr. W. B. Murphy, president of Campbell Soup Company: "It is in order to suggest . . . that manufacturers can do themselves a favor and our country a service by allocating a fair share of their new plants to the rural areas." Scores of others have recently made similar pronouncements.

Eighth. The "rural" image is misleading and is hurting the countryside. *The public needs a clearer picture of what the countryside is and what it has to offer. The committee can help formulate a body of countryside values, perspective, and identity.* The countryside has had no voice or means with which to project an up-to-date image.

The term "countryside" itself needs wider popular acceptance. The census classifies all populations on farms and in towns under 2,500 as "rural." The press and many

agencies commonly refer to everything outside "urban areas" as "rural." While rural is a revered tradition, it is no longer adequate or appropriate for defining the combined economy of town and farm. It doesn't fit this kind of countryside and is misleading.

For example, most of the 3,500 towns and cities in the country ranging in size from 2,500 to 10,000 (and some larger) in population are just as much countryside based and dependent on farming or on the land economy as are towns under 2,500. There are many fine communities centered in towns under 2,500 and even half that size; but as the countryside develops, the better towns are certain to grow. Should they pass this population mark, they become no more urban than before so long as they remain a part of the countryside.

Actually, industry is moving to the countryside. In the last two years, several hundred plants have been opened in small cities. A study covering a limited number of these enterprises has revealed some significant facts. In general, the attitude of the workmen is better than in big-city plants. They have more pride in their place of work. More of them own their homes and take more interest in the total welfare of the community. They are stable and responsible.

These advantages may be more important than is generally recognized by industry or the local community. A much broader survey covering a large number of establishments in a number of states is one of the more urgent projects to be undertaken at this time.

The human factor is an important resource in every country community. Improvements in the physical assets have been or are being realized in thousands of country towns—modern highways, power, education, health and recreational facilities. Fortunately, these developments are taking place without sacrificing traditional values of country living and at just the time when population and social pressures are building to painful heights in the big cities.

Ninth. The nation is living in a dangerous age. For a whole generation the country has been engaged in hot and cold wars. This year 67 billion dollars are going into defense and to fight a war in Asia. Another 40 billion or more may soon be added for missile defense. Despite these great efforts, it may be assumed that a growing number of ICBM's are zeroed in right now on every big city in the country. Whatever our defense calculations may be, the nation's ultimate survival would be in the countryside.

But the greatest threat to the nation may not be from outside hostilities, but from man-made dangers—pollution of his environment, abnormalities from overcrowding, increase in crime, and spiritual impoverishment. There is no one answer or one solution we can turn to, but the most promising haven to explore is the countryside.

Tenth. If the countryside, which embraces more than 98 percent of the land area in the country, is to accommodate future developments, it must not stand still. It must continue to make its tremendously diversified resources and natural advantages still more attractive and inviting to industry that is seeking more suitable environment and to people seeking homes in communities that are more to their liking. This is just as important to the future of big cities as it is to the countryside.

The countryside must continue to foster its native virtues and qualities, which have contributed so much to our history—to our finest literature, art, culture, and national leadership. Four of our last six Presidents have come from the countryside; and more than its share of leaders in government, industry, science, and education continue to come from there. This is the American background, and here is where our most enduring future lies.

#### DAIRY ASSOCIATION IS LEARNING

(By Don Olson)

The year 1967 will go down in history as the year when many farm organizations and associations caught up with the more advanced thinking of their own members. This is particularly true in the dairy industry.

In the past most dairy associations repeated monotonously the old cliché that farmers must become more efficient if they are to become more prosperous. The poor are lazy or dumb or poor managers.

Then the U.S. Naval Academy examined the books of its dairy operation and found that with top-grade cattle, bigness and all kinds of efficiency, it still was losing money by the tens of thousands of dollars.

Kern County Land Co., owner of one of the largest dairy operations in the world, sold off its milk cows after losing a reported million dollars. Their computers told them there was no way out of the mess.

As we said earlier, the farmers have learned. Now their associations are learning. We are proud of the American Dairy Assn. editorial we are reprinting below. It doesn't mean a millennium has arrived, but it's a darned good sign.

"The great exodus of dairy farmers from the American scene is quite evident in Minnesota as we move into the 31st anniversary of June Dairy Month. Some 6,051 dairy farms are no longer in existence in Minnesota reducing the number of dairy cattle by 96,000.

"Why? What are the reasons? Well . . . the reasons are varied and many. The narrow margin of profits for the small dairy farmer has taken some of the toll. Attraction of better paying jobs and shorter hours are another reason. Health, age, lack of competent help, these and many other reasons can be added to the list.

"The average dairy farmer works seven days a week, 365 days a year. Cows must be milked morning and evening, they don't adjust to an 8 to 5, 5 day a week schedule, with two weeks vacation and all legal holidays off.

"How about age? The average age of the Minnesota dairy farmer is 57 years old. Not old, but when you have to work 16 to 18 hours per day at being a jack of all trades . . . that 57 can seem awful old. If you are fortunate enough to be able to find good farm labor, the cost is almost prohibitive and the margin of profit is cut even smaller. And then you have to give him at least two days off a month.

"You say the youngsters coming up can help and take over. Perhaps this would be true if the young farmer-to-be wasn't attracted by big city industry and wages. Let's face it, 40 hour weeks with paid vacations is much more alluring to him and it's much easier to make a living for his family. When you have to work far below the minimum wage most businesses are required by law to pay . . . who wouldn't leave the farm?

"All right, what are some of the answers? Number one, of course, is an increase in the price of milk paid to the dairy farmer. And how about the consumer? Mrs. Housewife often complains because butter is 75c per pound or the price of a quart of milk has gone from 23 to 24c. But you'll never hear anyone argue or write their congressman when the price of a cocktail goes to 75c or a bottle of beer goes to 35c.

"The American Dairy Assn. doesn't feel everyone should become temperance, nor do they feel we should go back to prohibition, but instead, the consumer should take a look at the healthful aspects of dairy products. Not just for children, but for adults as well. More than 100 food elements are found in milk. A quart of milk provides 82 per cent of the day's need of calcium, 63 per cent of phosphorus, 40 per cent of protein, 83 per cent of riboflavin, 30 per cent of vitamin A, 21 per cent of calories and 22 per cent of thiamine."

#### RURAL AMERICA APATHY?

(By O. B. Augustson)

This issue of The Tribune could almost be called a Rural Life edition. In the news columns a three column headed story on Town and Country Committees and a two column headed story covering the Christian Rural Life meeting held recently at Olivia. Add to this an article in the Public Forum. And now, this editorial.

All this was not planned. Just sort of happened. But we are glad it did. Perhaps with some stresses of this kind one can arouse the folks of rural America out of their apathy. Perhaps there may be some action—if rural America wants to save itself. Or do people just don't care. Or are they looking for someone else to do something. Well—they will wait in vain. No one helped labor in its day—they did it themselves. Farmers and Main Streets dependent upon them—may have to do the job.

Already one has seen the effects of the policy so harshly enunciated by the Committee on Economic Development—to rub out millions of small farmers—let them go down the drain. Development?—no Destruction. Look thru the country and see the vacant farm buildings. Look at some of our villages and see the empty store buildings. Note the loss of farm population, the loss or stagnancy of village population. The picture is there for even the blind to see.

But does rural America care? The farmers themselves, the business people in our town? Well one can quote Holy Writ which so often says that a people without vision, perish. What vision has rural America just now, what vision did it have during these past years when this denuding of a countryside began? Someone sleeping—someone did not care? Willing to let the big boys lead rural folks by the nose—down the road they should not go—the wrong road for the farmers, the wrong road for the rural town—yes, the wrong road for our nation and society as a whole. To substitute big, complex teeming centers of population, the interurbias of tomorrow, for the wonderful countryside of rural America where there is still some evidence of human kind fearing both God and Man!

It is about time that rural America, the farmers and the businessmen plus the professions to including the church, rise up in arms or this thing is going to wind up with ghost towns on the prairies of rural America. The day to come of the big farmer, the corporate farmer—another big to add to all the other big in the country—where a handful are going to tell the people what they are going to pay thru the nose. This is to be done thru monopoly or simple collusion.

Strong language? Alarmists? Don't think so. We say and will say again that a lot of little people built this wonderful nation, bigness in all its forms can lead it down disintegrating roads and the very fate our Christian democracy may be at stake either from the left or the right.

Farm organizations are divided. Their leadership does not seem inclined to get together on some compromise program. There is no farm bloc in the Congress. Farmers are a small ten per cent or less. Politicians are urban minded—where the big votes are. There is no united front for rural America and no one single voice. Who will supply it. There is only one answer—it must be, allied with the farmers, the people of our rural villages, town and rural cities who compose 40% of the population of the nation or 70 million people. When they unite and demand economic justice—even the politicians will listen—at least someone will—if not the politicians—rural people will demand that farm leaders finally forget their own jealousies, decide on the one program and see it thru. But decide—rural America must do and quit fiddling while the Rome of rural America burns.



The farmers need help in their cause—which cause is also that of the rural towns—or don't the latter realize this yet—perhaps the cash registers have not squeaked enuf or enuf business places closed. Rural America is at the crossroads—what will it do about it—continue to sleep?

#### MEETINGS HELD IN WEST CENTRAL IN CAUSE OF TOWN AND COUNTRY—BUSINESSMEN URGED TO ENLIST IN THE MOVEMENT—ACTIVE UNIT ALREADY SET UP IN KANDIYOHI COUNTY—MORE UNITS SOUGHT IN OTHER WEST CENTRAL COUNTIES

During the past year or so there have been in this area of our state many meetings which have concerned themselves with what is happening to rural America. The loss of family farms, the loss of farm populations, the inadequate farm income, the adverse effects on the economy of rural villages and also rural cities.

These meetings have been sponsored by farm groups, by commercial interests and even held under religious auspices. They have all been concerned about what is happening in rural America, are apprehensive about the continuing trends which if carried to the extremes could actually lead to ghost towns on the prairies of our agricultural states.

#### IN MANY TOWNS

In this region such meetings, concerned with the future of agriculture and their effects on rural towns, have been held in many places—in Willmar, Granite Falls, Montevideo, the little town of Sunburg and more recently at Olivia.

At those meetings there have attended, businessmen and professional men, some from labor and of course leaders and members of farm organizations. They have all expressed concern over trends in agriculture today and the present and ultimate effects on the Main Streets of rural America. And the meetings have been to good purpose, to call and direct attention to the farm situation and the rural economy.

#### UNIT AT WILLMAR

Along this line there has been organized in Willmar in recent months a group which has adopted the name of the "Town and Country Action Committee of Kandiyohi County." Its purpose is to concern itself with the problems of our rural area. It has a board of directors composed of business and professional men, labor, the clergy and farmers—a composite group. This Committee is designed towards final study of the problem of rural America as a mutual concern of both town and country. Memberships are now being promoted among rank and file farmers, business and professional people. When this organizational machinery is perfected the Committee will take up its task of what should be done to halt the present trends in agriculture which are detrimental to both the farmers and the rural towns.

#### SUNBURG MEETING

In the meantime—in Kandiyohi County again—another group has been meeting at the village of Sunburg. Here under the leadership of the late Russell Wagner the Commercial Club of that town came out not long ago with a resolution calling for some action to obtain higher farm income, to save what are left of our family farms and all this to the economic interest also of rural town business. This resolution which was the first to come out of any rural town in the region was published in the West Central Daily Tribune.

Later on this same group at Sunburg called another meeting with farmers and merchants from Kandiyohi, Swift and Pope counties. At this meeting it was decided that an area meeting should be held to which the leaders of the four national farm organizations would be invited to speak—heads of

the Farmers Union, Farm Bureau, the NFO and the Grange.

#### AREA PROSPECT

To accomplish this purpose an area wide organization would be needed. Instead of attempting this difficult task alone, the representatives of the Sunburg gathering, noting that a county organization had already been effected at Willmar in the Town and Country Action Committee of Kandiyohi County, prevailed upon this latter group to take up the task of trying to establish similar units in all the counties of West Central Minnesota. Thus the Sunburg inspired movement joined its cause with the organization centered at Willmar. The latter Town and Country Action Committee accepted the task.

#### BANKERS MEETING

This took effect when a meeting of the bankers of several counties was held Monday evening June 19th at the town hall in Murdock at which members of the Kandiyohi Town and Action Committee brought their message. To this wise—that perhaps the bankers in their respective counties could help organize units like the one in Kandiyohi county. It was both felt and expressed that the leadership for such county units must come through the cooperation of banking and business people working with the farmers.

At the Murdock meeting, Ed Broden, Murdock merchant, presided. John Vikse of rural Willmar chairman of the Kandiyohi County Action Committee spoke of the purpose for such organizations and explained what the unit at Willmar was seeking to do. O. B. Augustson, editor of the Tribune at Willmar, pointed to the need for action, Walter Carlson, Pennock businessman and vice president of the unit at Willmar expressed the concerns of Main Street and Harold Arvidson of Kandiyohi stated that the facts of what is happening in rural America must be assembled and action come from the grass roots. State Senator Robert Johnson of Willmar endorsed the proposals made and informed how the rural areas are losing out economically and legislatively as well in Minnesota with 51% of the state's population now located in the 7 county metropolitan area.

#### NEED FOR ACTION

Mr. Vikse pointed out that rural America, its farmers and all rural towns, villages and cities comprise 40% of the nation's population or 70 million people. He urged the bankers present to return to their respective counties and help organize units similar to the Town and Country Action Committee of Kandiyohi County.

There was an excellent discussion by the bankers and others present at this Murdock meeting and it is hoped that action will be taken in the other counties of West Central Minnesota. When this is done there will doubtless be an area wide meeting of all the county units to discuss the problems of rural America and suggest plans and reach agreements on possible solutions and remedies.

At the Murdock meeting the sudden passing of Russell Wagner of Sunburg was noted with regret and a moment of silent tribute and prayer was offered in his memory.

#### NEED UNITED FRONT

It is now the hope of the Sunburg movement, now merged with the Town and Country Action Committee of Kandiyohi County established at Willmar, that this cause will embrace all counties in West Central Minnesota. An area movement which could well spread thruout the state as Main Street joins hands with the farmers in studying the agricultural problem and coming up with some solutions and answers. This to the desired end that rural America will have a united front and one large single voice which

will speak not only from the acres but also from the business streets of the area.

#### MAIN STREET SPEAK?

During the past decade and more Main Street has not been vocal. The time has come when it no longer should be silent. Main Street should now join with the farmers in a mutual cause involving the economic welfare of both. Unless this is done the present trends in agriculture could continue from bad to worse—there could be less and less farms and less and less business on our Main Streets. That is the outlook, that is the cause, that is the task facing all rural America today!

#### ON FARM LEADERS

To the Editor:

The main speaker at the Rural Life meeting sponsored by the New Ulm Diocese and held at Olivia Friday evening was Sister Thomas More of Manitowoc, Wisconsin. The main theme of her speech given by after introductory remarks by Bishop Schladow, was that the common people of this country have reneged on their responsibility.

She said that what is at stake here (rural America) is not the cost-price squeeze, not Colby cheese imports, not ice cream mix imports, etc., it is the preservation of our system of government. She said our federated system of government is the most difficult to make work but it is the only one in which the individual is preserved and that the present imbalance between the ruler and the ruled is the fault of the ruled because they have reneged on their share of the responsibility.

Sister Thomas More, who researched all the farm organizations for her doctor's thesis, proposed a three-point program for farmers. 1. coordinate action. 2. democratize organizations. 3. appreciate people. Farmers do not lack brains but they lack the machinery needed in a federation of existing farm organizations. It is not a merger she proposes nor a new organization but a restructuring of present organizations. These must begin at the county level which is large enough to get a cross section of the thinking of the people in the area and small enough to make the individual responsible. It is useless to wait for national leaders to work for a better deal for farmers. "The fellow with four acres doesn't want a new deal," she said. She thinks farmers could find many areas of common agreement.

In order to coordinate action you are going to have to reform all farm organizations, is her idea. "Don't get on the defensive," she said, "Anybody wanna say your organization is perfect? Nobody is that big a fool." The needed reforms include limited tenure for elected officers and free press and free speech for all members, even the kooks. Failure to let everybody present their ideas indicates a lack of faith in the judgment of the common people. They can be depended upon to separate the good ideas from the kooky ones.

At one time or other during her speech, Sister More attacked all the major farm organizations and said you should figure out which organization has the machinery you could best use, join it and become active. "Mr. Dechant was Sec.-Treas. for 20 years, so you have new leadership, but new ideas? Who are you kidding." She knows people who say Mr. Staley is a fine man, he'll know when to get out. "I betcha Lyndon Johnson wishes he had that break." They elect their Mother Superior for a term of six years and if you want her longer than that, you write to Rome. "I don't know what you know about writing to Rome, but you'll be dead a long time before you get the answer." She belongs to the Grange, but, "you go to a meeting and honest to God, you gotta hold a mirror under their noses to see if they are alive."

To start the proposed federation of farm organizations which would permit farmers to compete with the oligopolies and become price makers rather than price takers. Sister thinks it would be necessary for someone other than a farmer to call the farmers together the first time. The County Agent, rural clergy, or editor, etc., were suggested. She stated, "It is not the obligation of the clergy to come up with the answers but they can come up with the principles and the farmers find the answers."

During a question period some one asked: "Why not try this simple formula, 'Seek ye first the kingdom of God, etc.'," and Msgr. O'Rourke of Des Moines, Iowa and National Director of Rural Life answered that that kingdom is not something esoteric but refers to building a kingdom of God here on earth where justice will prevail.

Also on the program were Father McRaith, Milroy, Diocesan Rural Life Director, Msgr. Louis Miller of South Dakota and Pastor Robert Hendrickson, Jasper, Minnesota.

Sincerely,

Mrs. FRANCIS BOUTA.

CLONTARF, MINN.

#### A MEASURE DIRECTING BENEFITS FROM RAILROAD RETIREMENT ACT KEEP PACE WITH INCREASING COST OF LIVING

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ZWACH. Mr. Speaker, at a time when inflation is increasing and the value of the dollar is becoming less and less, folks living on fixed incomes are having a hard time paying their bills.

In the Sixth District of Minnesota thousands of retired citizens and widows with children rely on income from the social security and railroad retirement programs. But inflation has cut into their pension, and has drastically reduced their purchasing power.

These are people who have worked hard over the years to provide for their families, and to plan ahead for their retirement. But the modest amount that folks were able to put away for their retirement years so that they could live a decent life has often been cut in half by the Government's unsound fiscal programs. The dollar that many of them saved was worth 100 cents. That was in 1940. Today that dollar can be bought for 42 cents. At the present rate of decline it will be worth only 31 cents in 10 more years.

Add a devalued dollar to the inflationary spiral—with its reduced purchasing power—and you have a critical situation with any folks who rely on a fixed income.

The cause of inflation is excessive Government spending. It comes when the Government will not balance the budget. Even though we have made cutbacks in spending during this Congress, the majority party continues to support deficit spending. Only recently the Federal debt limit was increased, encouraging and allowing the administration to continue high levels of spending.

Mr. Speaker, the innocent victims of these policies are the folks on a fixed income. It is urgent that they be rescued immediately. For that reason, I am introducing a measure in the House today that will direct that benefits from the Railroad Retirement Act keep pace with the increasing cost of living. This bill is a companion to legislation introduced by the gentleman from Nebraska, Congressman GLENN CUNNINGHAM. It provides that when the cost of living increases by 3 percent, railroad retirement benefits will automatically be increased by a comparable amount.

I hope that this legislation will be passed without delay.

#### TIME TO DEFEND "UPPERDOG"

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NELSEN. Mr. Speaker, the July 10 issue of U.S. News & World Report carries excerpts of a thoughtful, highly impressive address by Miller Upton, president of Beloit College in Beloit, Wis. Dr. Upton's remarks bear on the present warped tendency to glorify the losers in society while downgrading the accomplishments and importance of our winners—the doers and achievers of America. Dr. Upton's speech is most deserving of public attention, and I am pleased to include it in the RECORD at this point in my remarks:

IT'S TIME TO STAND UP FOR THE "UPPERDOG"  
(From an address by Miller Upton, president of Beloit College, Beloit, Wis., which he delivered recently at the honors convocation of Ripon College, Ripon, Wis.)

I have just about reached the end of my tolerance for the way our society at the present time seems to have sympathetic concern only for the misfit, the pervert, the drug addict, the drifter, the ne'er-do-well, the maladjusted, the chronic criminal, the underachiever, the loser—in general, the underdog.

It seems to me we have lost touch with reality and become warped in our attachments, if not in fact psychotic.

In short, I feel it is time for someone like me to stand up and say, "I'm for the upperdog!" I'm also for the achiever—the one who sets out to do something and does it; the one who recognizes the problems and opportunities at hand and endeavors to deal with them; the one who is successful at his immediate task because he is not worrying about someone else's failings; the one who doesn't consider it "square" to be constantly looking for more to do, who isn't always rationalizing why he shouldn't be doing what he is doing; the one, in short, who carries the work of his part of the world squarely on his shoulders.

Not the wealthy, necessarily; not the ones in authority, necessarily; not the gifted, necessarily—just the doer, the achiever—regardless of his status, his opulence, his native endowment.

We are not born equal; we are born unequal. And the talented are no more responsible for their talents than the underprivileged for their plight. The measure of each

should be by what he does with his inherited position.

No one should be damned by the environmental condition of his life—whether it be privileged or underprivileged. . . .

It is a dying fashion to pay respect to those who achieve—who really "have it," to use the vernacular. This is the day when the fashion is to be for the underdog. The attitude is being developed that if you really want people to care for you—and who doesn't?—don't be successful; be a misfit, a loser, a victim of one's environment. This is an occasion to honor the successful—to say it is better to win than to lose, better to receive an A than a C, that class rank is meaningful, that those who have developed the pattern of achieving in college will go on achieving out of college, and, because of their achievement, the rest of us will live richer and easier lives.

I'm not entirely sure of the reason for what appears to me to be a general social-psychological aberration, but I suspect it springs from a massive social guilt.

Each of us individually is so aware of our personal limitations that we have developed a form of masochistic reaction to problems of the day. Instead of attempting to deal with the problems in a forthright way, we berate ourselves, we martyr ourselves, we pillory ourselves.

Or, if the problems seem too much for us to handle, we mitigate our sense of guilt by heaping all blame on convenient scapegoats or by concerning ourselves with the problems of others at a conveniently remote distance.

Let me illustrate my point by specific reference:

I have become increasingly bored and resentful of the ridicule and snide references made of the WASPS—the white, Anglo-Saxon, Protestant suburbanites. I wouldn't feel the point so strongly were the criticisms leveled by those outside of the circle. Such could be looked upon as healthy social criticism and competition. But when it comes mainly from those who are part of the circle—WASPS stinging themselves—it assumes the nature of sick self-immolation.

Our society's treatment of the Negro over the years is deplorable. In fact, that's too mild a term for it. The word "sinful" in its full theological sense is more accurate. But this fact does not justify us, in our sense of guilt, condemning a particular segment of society which in many ways constitutes the backbone of American social existence.

If damning by association is wrong, as I would maintain strongly it is, then how horribly wrong it is to level our guns of hostility, envy and ridicule in this fashion on the successful white man who more often than not struggled financially to get a college education, who more often than not works at his job more than 60 hours a week, who buys a comfortable home in the suburbs with the welfare of his family in mind, who is active in his church and community affairs, who gives his time to service on boards of education and social-welfare agencies, and in some cases is shortening his life span through overwork and anxiety resulting from the basic social responsibilities he must carry.

These are among the chief doers and achievers of today. And where would our society be without them? For one thing, we would not have Ripon College or Beloit College or the University of Wisconsin as we know them today were it not for the likes of these people. Nor could we afford to have a major portion of the population going to school for 12 to 20 years. Nor would we enjoy the leisure time, recreational activities and cultural advantages which are a direct product of our material welfare. However, there would be one by-product advantage: We would have to be so concerned individually with eking out our own meager existence that there would be no time to be wasted on such irrelevant and dishonest name-calling and buck-passing.



## BLAMING ECONOMIC SYSTEM UNFAIRLY

Or, just as we point an accusing finger at those who succeed within our economic system, so we accuse the system itself of faults which are not of its creation. In short, we tend to blame the economic system for the faults of individuals who operate within it.

It is important to recognize that the quality of any society is directly related to the quality of the individuals who make it up. Therefore, let us stop referring naively to creating a "great" society. It is enough at this stage of our development to aspire to create a "decent" society. And to do so our first task is to help each individual be decent unto himself and in his relationship with other individuals.

A decent society cannot be created out of a vacuum and imposed. It can only evolve out of the lives of constituent members. In this regard, our economic system has become the scapegoat for the failures of our educational religious and family institutions to develop decent and responsible individuals.

Whenever one blames another or group of individuals for one or more of the ills of mankind—beware! He is expressing personal hostility and offering no solution. There is no single scapegoat for the world's ills, unless, it be our own personal limitations as finite beings.

Also, the Puritan ethic and religious morality in general have come in for some heavy-handed humor and disdain. I can support that criticism which focuses on arbitrary value judgments. But we seem to be in the process of developing a much more perverse kind of moralism—a moralism which says that since love is the one absolute virtue of man, the one way we will solve the problems of poverty, crime, racial discrimination and the like is by forcing everyone to love everybody else—we must love the white man because he is white, or the black man because he is black, or the poor because he is poor, or the enemy because he is the enemy, or the perverse because he is perverse, or the afflicted because he is afflicted! Rather than because he is a human being, any human being who just happen to be white or black, poor or rich, enemy or friend.

This is a hideous abuse of the notion of love that avoids the hard fact that love is a uniquely personal experience.

If it is idle to attempt to legislate individual morality, it is even more idle, and even arrogant, to attempt to force individual love. There can be no love unless it is genuine and authentic. To love, or go through the pretense of loving, without truly feeling that way is one of the lowest forms of hypocrisy. It is dishonesty at its worst. And the fruit of such dishonesty, as with all forms of dishonesty, is distrust, degradation, chaos. We should respect all people so much that we would not dare demean one by pretending to love him when we don't. . . .

We need to start being honest with ourselves in more ways than one. It is too bad that we have failed to heed the charge that Polonius made to his son: "This above all, to thine own self be true." For were we to do so we would have to admit honestly and joyously that love in its very essence is selfish. Were it not so, there would be none—not real love—only a martyred imitation. . . .

We have serious problems and issues facing our society at the present time. Let there be no doubt about it. But they can be solved over time if we will attack them directly and honestly—that is, if we will be willing to pay the price in time and persistent personal effort.

They will never be subject to instant solution—to wishing it so. Nor will they be solved by blaming others for their existence, or by making certain segments of society the scapegoat for the general ills of society. Nor will they be solved by running away from

them by concerning ourselves with remote situations rather than those at hand. Nor will they be solved by application of the perverse notion that to love means only to sacrifice one's self.

The one most certain point is that they will be solved by doers—not people with good intentions, but individuals with good deeds. Not those who talk a good game, but those who play a good game—the achiever.

## ENCOURAGE INDIVIDUAL EXCELLENCE

We will never create a good society, much less a great one, until individual excellence and achievement is not only respected but encouraged. That is why I'm for the upper-dog—the achiever—the succeder. I'm for building an ever better society, and this will only be done by those who take seriously their responsibility for achievement, for making the most of their native ability, for getting done the job at hand.

## MORTGAGES FOR THE POOR

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. DWYER. Mr. Speaker, in view of the great and growing interest in the proposed National Home Ownership Foundation as a means of encouraging and making feasible the rehabilitation and purchase of houses by low-income families, I feel certain our colleagues will welcome the very informative discussion of this plan by its principal sponsor, Senator CHARLES H. PERCY, of Illinois, which appeared in the July issue of the Mortgage Banker.

As a cosponsor of the legislation to create the Foundation, I have been delighted to learn that the Senate Subcommittee on Housing and Urban Affairs will hold hearings on the plan and that prospects are good that our own Housing Subcommittee will also schedule hearings on the legislation.

Senator PERCY's article, which is entitled "Mortgages for the Poor," and which I include herewith as a part of my remarks, will contribute to a greater understanding of this imaginative and constructive proposal.

The article follows:

NATIONAL HOME OWNERSHIP FOUNDATION:  
MORTGAGES FOR THE POOR

(By Senator CHARLES H. PERCY, Republican, of Illinois)

Last February a CBS television team did a special presentation on life in a Chicago slum building. At one point the CBS commentator is standing in a vacant lot adjacent to the tenement. Children are playing amid the waste paper, junk, and broken bottles.

The commentator is talking with Mrs. Barber, a Negro lady who lives in the tenement building. He asks her about her dream house, and she says:

*"My dream house? I would like to have a dining room—kitchen, say, and three rooms and a sun porch on the first floor, and most of all, have a recreation center in the basement."*

And Mr. Staples, who lives in the same slum tenement, adds softly:

*"This is every man's dream, to own his*

*own home and be able to have a decent place for your family to live in—because you know if you own this, you know this is yours."*

Time and again, in encounters and correspondence with poor people and their organizations, I have heard this sentiment repeated with a depth of feeling that can be very moving. There is no doubt in my mind that this desire to own a home—not just any home, but a decent home in a decent neighborhood—is as common to today's urban poor as to middle and upper income suburbanites.

For home ownership, aside from its economic values, can generate important psychological values as well. It can bring pride and dignity and self-esteem to families who have known little of those feelings. It can bring a new sense of community responsibility, stability, and respect for law and order. It can yield the vital feeling of "roots," of having a place and an identity in urban mass society. It can contribute to the practice of deferred gratification—of saving today for tomorrow's benefit, a characteristic conspicuously absent from most poor families. It gives the home buyer a new understanding of the workings of the business world—of taxes and insurance and mortgage payments and credit ratings. And, perhaps most important, just the prospect of owning a decent home of his own can be a powerful force to motivate a poor man to strive to overcome poverty and advance to a better, more independent life.

No one would pretend that every poor person can be made into a responsible home owner. Obviously, some can scarcely hope to achieve it—the mentally and physically handicapped, the unemployable, the perpetual welfare case, the elderly poor, the transient, the criminal or degenerate. But even when all these people are excluded, there remain hundreds of thousands of American families that have or can develop the capacity for home ownership, but who today have little realistic opportunity to enjoy its advantages.

Few greater challenges—and opportunities—confront this nation today than devising a way for helping these families help themselves to become home owners—whether it be a single family home, row house, or condominium or cooperative apartment.

In many places around the country, local home ownership projects for lower income families are in operation or taking shape. The Bicentennial Civic Improvement Corporation in St. Louis has perhaps received the most publicity. The Interfaith Interracial Council of the Clergy of Philadelphia is on the same track. Better Rochester Living in upstate New York has now completed 55 homes for sale to poor families. Flanner Homes in Indianapolis has for over 15 years pioneered in urban home ownership and cooperative "sweat equity" construction. HOPE, Inc. has a project under way in Baltimore. Dr. Martin Luther King is sponsoring a condominium conversion for lower income families on Chicago's West Side.

It is noteworthy that most projects of this sort were generated not by government grants, but by the voluntary initiative of concerned citizens at the local level. And it is equally noteworthy—and indeed axiomatic—that wherever this sort of project has been a success, behind that success stands a mortgage banker who cared enough to make it happen.

In St. Louis, to take the leading example, the Federal Housing Administration and the War on Poverty couldn't be bothered with a dedicated priest's dream for rebuilding a slum into a community of home owners. But some mortgage lenders in St. Louis saw the promise. And through their faith and support—and unsubsidized, uninsured, 15-year, 6% home mortgages—these mortgage lenders helped bring about a new dawn of opportunity for 57 families who up to that

time knew only the desperation of public housing or the squalor of the slum.

But as so often happens, no sooner has a private-sector idea begun to prove itself than the advocates of government action move in. Progress, they solemnly aver, comes from the initiative of government, not from the strengths and resources of the private sector.

Few would say today that government—federal, state, and local—has no responsibility in the field of housing. The debate is whether government should be the initiator and executor of programs for enlarging housing opportunities, or whether it should serve as a guarantor and reinforcing agent to back up private sector efforts.

In my view, government has an important concern in expanding home ownership opportunities for all Americans. But, in the words of a recent Mortgage Bankers Association policy statement, government should "be concerned with the removal of the obstacles that impede the potential utilization of private credit." Where there are credit gaps, the statement continues, "their elimination will best be achieved by directing the influence and action of government to fostering the institutions through which private initiative will be given encouragement and confidence to reach its fullest capabilities."

To try to foster this sort of private institution, I have joined 38 other Senators and 110 Representatives in sponsoring legislation to create a private National Home Ownership Foundation. The National Home Ownership Foundation would have two essential functions: (1) to provide the needed technical knowhow and expertise to local groups sponsoring home ownership programs for lower income families who have or can develop the potential for carrying a modest mortgage, and (2) to make mortgage funds available to finance projects which do not now have direct access to local capital.

The federal government would aid in two principal ways. It would, first of all, stand behind the debentures issued by the Foundation to insure investors against loss, just as, for example, it now stands behind maritime bonds to encourage ship construction. Second, it would subsidize the cost of home ownership for a lower income family. But the program would not operate through FHA or FNMA. And the investment of \$20 million in government interest assistance money could, through a powerful leverage effect, generate the financing of perhaps 60,000 homes, compared with only 2,000 through direct FNMA takeout without participations.

Let me construct an example of how the National Home Ownership Foundation program could work. A local organization undertakes to sponsor a home ownership program in its neighborhood. Part of that program, of course, will be the production of decent housing; an equally important part will be the identification of families with home ownership potential and their preparation to accept its responsibilities.

The Foundation's Technical Assistance Service, at the invitation of this local "client" group, helps design a program—including involving members of the local business and financial community on the local organization's board. Local lenders will be approached for construction and mortgage financing.

Some prospective buyers, presumably, will be unable to obtain or afford local conventional financing. The Foundation is then authorized to make loans directly to these buyers, from funds raised through the sale of debentures on the open market. Local mortgage management institutions would service these mortgages on contract with the Foundation. The home buyer, of course, would pay the bulk of the monthly mortgage payment; the Treasury would make payment for the difference. (Later on, if the buyer's income rises substantially, he would begin to

pay back the previous subsidy, which would convert it from a subsidy into an investment on the part of the government.)

There are many variations of this basic plan. Using the "coadjutant agreement" section of the bill, a local lender could make a loan to a local organization, with the Foundation absorbing over 90 percent of the risk. To do so, the lender would buy government guaranteed Foundation debentures in an amount equal to 90 percent of the required project mortgage, and put the remainder out directly on a risk basis to the local borrower. The Foundation would simultaneously make a loan to the local organization equal to the lender's bond purchase. Here, I think, is a way in which local lenders can make loans to local projects without incurring undue risk of loss—but retaining the advantages of highly visible sponsorship of a worthy local effort to produce better homes.

Or, consider this possibility: Instead of buying debentures of the Foundation, the local mortgage lender might obtain a cash deposit directly from the Foundation to cover 90 percent of the local project's cost. This loan would be made with the agreement that the Foundation would accept 90 percent of any loss that might ensue waiving its claim as a depositor-creditor. In this variation, the Foundation would not hold mortgages at all, while the local lender would have effective insurance against up to 90 percent of his potential loss.

The plan, contained in S. 1592, covers some 33 pages of legal language. No doubt much of that language is susceptible to improvement—perhaps even those parts of it contributed by mortgage bankers who were consulted during the four-month drafting process. Without attempting to explain all of its details, let me point out some particular benefits it offers to the mortgage banking profession.

First, the National Home Ownership Foundation program promises a substantial increase in home ownership and home mortgages, especially among those who under present circumstances would never expect to become mortgagors. As experience accumulates, lenders will develop sound criteria for evaluating loan applicants on grounds in addition to mere credit history. When relevant social factors are taken into account—especially a sustained determination on the part of the prospective home owner to achieve the economic security needed to carry a mortgage—I am firmly convinced that America's mortgage lenders will discover a sizable new market presently beyond their lending experience.

Second, the program would result in thousands of families doing business with local mortgage lenders. It would teach them the fundamentals of modern banking practice, insurance, taxes, and prudent savings, of which so many lower income families are ignorant. It would give them the reassuring knowledge the mortgage lender is there to make a better life possible for them, and not to exploit them for someone else's advantage.

Third, it would provide a useful yardstick for evaluating present below-market government programs—and a responsible alternative in which the private enterprise system can function without the privileged competition of government agencies.

But beyond these specific advantages to the mortgage banking industry, I am convinced that enactment of this legislation—if wholeheartedly backed by the private enterprise system—can lead to a major turning point in America's domestic life. For, by restoring government to its proper role as guarantor and reinforcer, the private institution envisioned in this legislation can generate a new spirit of private initiative to meet national problems the free enterprise way. And as such, it can signal a turning away from 35 years of adherence to the notion that good things happen only when a

government program is created to make them happen.

I say this can happen, not that it will happen. The mere chartering by Congress of a new private institution is not enough. Private enterprise, including the financial community, must display the dedication and resolution needed to recapture the initiative from government. Now is the time for bold action to implement those decades of luncheon club speeches about the "free enterprise way."

Is this bill the last, best hope for reversing the dangerous drift to ultimate dependence on government for all new initiative? It would be presumptuous of me to say so. Yet I cannot help but feel that here, for the first time in recent years, is a proposal for an effective mechanism for mobilizing the enormous resources of the private sector to meet one of the nation's most crucial problems. It is a proposal to give direction and discipline to private efforts, with the government's role restricted to safeguarding against the risks inherent in pioneering a largely unfamiliar new area. If the private sector does not rally to the cause, if its experts do not supply the technical refinements that may be needed, if its leading spokesmen do not boldly and clearly reaffirm and act upon their belief in private initiative—then, I must confess, my hopes for generating a rebirth of nongovernmental action and responsibility will not be bright.

#### PROGRESS REPORT ON THE NORTH-EAST DROUGHT

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. DWYER. Mr. Speaker, for nearly 7 years, the Northeastern United States, the center of much of the Nation's population and industry, has been subjected to one of the longest and most severe droughts in history.

As many of our colleagues will recall, Congress in 1965 approved an amendment to the omnibus rivers and harbors bill to launch an attack on the water supply problems of this great area. The amendment authorized the Northeastern United States Water Supply Study, which was begun in August 1966, under the direction of the North Atlantic division of the U.S. Army Corps of Engineers.

The North Atlantic division has now issued a summary report of the accomplishments and current activities of the Northeastern United States Water Supply Study which I am sure will be of great interest to our colleagues.

According to the report, the text of which I shall include following my remarks, the Northeastern United States Water Supply Study has now completed a drought survey of the entire northeast. It has identified and studied all communities which have been forced to impose water restrictions. It has reviewed the scope and services of all public water supply utilities in the area, initiated efforts to obtain necessary information on industrial water use, begun an evaluation of newer concepts in hydrologic analysis, and planned a study to determine the



economic value of water as a basis for policy decisions regarding the scope of local financial participation in Federal water supply projects.

The Northeast United States Water Supply Study has conducted 22 public hearings covering every State in the study area, considered local and regional plans and programs for attacking water supply problems, and received proposed solutions in which the Federal Government could reasonably be expected to participate.

It is especially significant, Mr. Speaker, that as a result of the study to date, the metropolitan areas of northern New Jersey and Washington, D.C., have been identified as having "an urgent need" for water supply projects during the next 10 to 15 years.

As one who supported very strongly the authorization for the Northeast United States Water Supply Study, I believe that the Congress will welcome the report as an indication of substantial progress. I am hopeful that the appropriate committees of the House and Senate will follow the progress of the Northeast United States Water Supply Study closely and will be prepared to act expeditiously on its recommendations for relieving the area of the constant threat of drought.

The provision of improved water supply systems for the northeast in general and for northern New Jersey and Washington, D.C., in particular is so urgent a need for the simple reason that this area is the most densely populated part of the country, with some 47 million people occupying approximately 201,000 square miles. This area contains 20 of the Nation's 100 largest cities, and 72 percent of its population resides in metropolitan areas. The area's population is expected to double in the next 50 years, and its water supply needs are anticipated to increase at a substantially higher rate.

We are making a good, if belated, beginning, Mr. Speaker, but ultimate success, at a cost we can afford, will depend on our understanding of the seriousness of prolonged water shortages and our willingness to act expeditiously in effecting sound solutions. The report, which follows, makes an important contribution toward this objective.

#### SUMMARY OF ACCOMPLISHMENTS AND CURRENT ACTIVITIES NORTHEASTERN UNITED STATES WATER SUPPLY STUDY, JUNE 15, 1967

Work on the Northeastern United States Water Supply Study began in August 1966. An initial "Plan of Study" was drafted and subsequent activities have involved: a series of public hearings; consideration of the need for urgent projects; a review of proposed local action reports; a survey of all communities experiencing drought restrictions; development of statistical information on all public water utilities; a search for sources of detailed industrial water supply information; the selecting of advanced hydrologic analysis procedures; examining procedures that might define the economic value of water in the Northeast; and expansion of the "Plan of Study".

**Public Hearings**—The NEWS Study has conducted public hearings at 22 locations covering every state within its study area. At these hearings, local and regional water supply problems have been described to us; the plans and programs that have been developed

or are being developed to attack these problems have been submitted; and at our request outlines of the solutions in which the Federal government could reasonably be expected to participate, were presented.

Approximately 30,000 hearing notices have been mailed to interested parties. Establishing the mailing list for the hearings has itself required a major effort, since the organizations and individuals interested in, and influential upon northeastern water supply have not been recorded or kept on file by any particular group of agencies. Therefore as a service to others as well as itself, the NEWS Study has coded each hearing's mailing list on IBM cards, so that all or portions of the list may be used by anyone wanting to contact those interested in Northeastern Water Supply.

**Urgent Projects**—Among the areas currently showing an urgent need for water supply projects during the next 10 to 15 years, are the metropolitan sections of northern New Jersey and Washington, D.C.

Northern New Jersey communities have experienced severe water use restrictions during the recent drought. Many of their sources have already reached estimated yields, and the management structure of their water utilities is so vested and complex that total and judicious water supply management has not been attainable.

One tentative solution to the water source problem of northern New Jersey under consideration by the NEWS Study, is the feasibility of developing a storage reservoir for the area, that would possess the capability of having its inflow augmented with water pumped from the Hudson River. Depending on the availability of site locations, such a reservoir might also be used to provide storage releases for the New York City water supply system and for assistance in repressing the salt front in the Delaware River.

An extremely serious situation developed in the Washington, D.C. area during the recent drought when the demand for water supply nearly equalled the amount of water available from the source, the Potomac River. Since high increases in the growth rate of this area are expected, it follows that the demand for water in the near future could not be met during a return of this previous drought. The NEWS Study is therefore considering prior recommendations by the Corps of Engineers, for reservoir development in the Potomac Basin. In addition, the Study is considering the possibility of connecting the Potomac Basin with the Susquehanna River via a pipeline.

Among the many local proposals being reviewed are suggestions for

a) a tidal dam on the James River  
b) a pipeline connecting the Susquehanna River with the Delaware River so that storage releases from Federal reservoirs currently authorized for these river basins, might be re-routed to the communities of southeastern Pennsylvania and northern Maryland. Extension of this pipeline, known as the Mason-Dixon project, to the Potomac Basin has also been suggested and is under consideration as mentioned above.

c) the construction of a tidal dam just north of New York City to create a fresh water reservoir in the Hudson River.

d) the construction of dams at both ends of Long Island Sound, including possible diversion of the Hudson River so as to create a fresh water reservoir which among other uses, could supply New York City, Long Island and southern Connecticut with water. This suggestion further proposed that highway and railroad crossings be incorporated into the dam structures to make the dams more functional and economical.

**Drought Survey**—A drought survey of the entire northeast has been completed. Those communities experiencing water restrictions have been tabulated and we know the size of the populations served, the severity of the restrictions and the cause of the restriction

whether it be due to the water source, the transmission line, the treatment facilities or the distribution system. This survey will be put to use in making the selections of those areas in which the Federal government can become a co-sponsor of immediate or urgently needed projects.

**Public Water Supply Statistics**—The name, address and operating head of every public water supply utility in the northeast, of which there are 4,003, has been determined as well as information on each utility's source of water, pumpage, service population and annual revenue. From this we know that there is currently a 10% transfer of water among systems of the northeast, which means that this section of the country already has a certain preparedness for the concept of inter-regional transfer of water. We know from the revenue statistics, that these water utilities may have a total borrowing power of more than 5 billion dollars, which in turn could be applied to the solution of their own water supply problems.

**Industrial Water Supply Statistics**—Since industrial water use is intimately tied to industrial production, the availability of such information has been found to be highly confidential and consequently, difficult to obtain. The NEWS Study therefore, has chosen to seek the assistance of the Bureau of the Census in a manner similar to that developed by the Office of Appalachian Studies. The Census of Manufactures has on file, detailed industrial water use data for every section of the country. We intend to develop with the Bureau of the Census, procedures whereby they can provide us with as much of this information as possible without violating their disclosure rule. We also hope to acquire their mailing list so that cooperation may be sought directly from particular industries.

**Selection of Hydrologic Procedures**—According to the American Water Works Association, the effects of the past drought on water supply sources have been in good part a measure of the error water supply planners made in estimating safe yield. This has prompted the NEWS Study toward evaluating some of the newer concepts in hydrologic analysis. These new concepts which are admittedly controversial, draw on the strength of statistics to synthesize long streamflow sequences from the relatively short, historical records of the past. From this we hope to be able to visualize more explicitly, the extremes of the future and plan more appropriately for their occurrence than traditional methods would otherwise enable us to do.

**Economic Value of Water**—The NEWS Study is approaching Ph D candidates in the field of Water Resources, with the proposal that they utilize our drought survey and our other statistical information on water supplies, as raw data from which they can postulate the extent of economic damage suffered as a result of the recent drought. From this, guidelines might be developed for determining the economic value of water which could then be translated into policy regarding the scope of local financial participation, in Federal water supply projects. So far, two Ph D candidates have expressed an interest in using our data to develop such economic theories. From their point of view, the drought has been a great experiment providing invaluable, empirical data.

**Plan of Study**—The original "Plan of Study" as written for NEWS was general with regard to the engineering and economic decisions required for immediate and long range planning. The "Plan of Study" is being expanded consistent with our current accomplishments, to make our work assignments more explicit and our goals more detailed and specific.

At the close of the Fiscal Year 1967, the NEWS Study will have undergone extensive exposure to many water supply interests and to the general public in the northeast. In-

formation will have been compiled on those areas in need of urgent projects; initial review of state and local water supply plans will have been completed; development of new engineering and economic procedures will be underway and a substantial amount of basic statistics will have been compiled both on the effects of the drought and on the characteristics of the water supply utilities themselves.

In Fiscal Year 1968, the scope of our basic data will be extensive enough to enable the beginning of detailed engineering analysis on specific projects and to begin framework development of intermediate and long range plans. A special attempt will be made to complete at least one specific project proposal. The NEWS Study will also re-evaluate the yields of sources currently serving the larger communities of the northeast and will initiate development of guidelines for local participation in Federal water supply projects.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BURKE of Massachusetts, for 60 minutes, on July 11, 1967; to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. PRICE of Texas) to revise and extend their remarks and to include extraneous material:)

Mr. FINDLEY, for 60 minutes, today.

Mr. ZWACH, for 30 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PRICE of Texas) and to include extraneous matter:)

Mr. BUSH.

Mr. RUMSFELD.

(The following Members (at the request of Mr. STRATTON) and to include extraneous matter:)

Mr. PUCINSKI.

Mr. TENZER in two instances.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 43. An act for the relief of Mi Soon Oh; to the Committee on the Judiciary.

S. 171. An act for the relief of Timothy Joseph Shea and Elsie Annet Shea; to the Committee on the Judiciary.

S. 388. An act to authorize the Attorney General to transfer an inmate of the District of Columbia jail to any other institution under the control and supervision of the Director of the District of Columbia Department of Corrections notwithstanding the pendency of a petition for a writ of habeas corpus with respect to such inmate, and for other purposes; to the Committee on the Judiciary.

S. 440. An act for the relief of Dr. Julio Alejandro Solano; to the Committee on the Judiciary.

S. 475. An act to provide an additional place for holding court in the district of

North Dakota; to the Committee on the Judiciary.

S. 910. An act for the relief of the estate of Patrick E. Eagan; to the Committee on the Judiciary.

S. 945. An act to abolish the office of U.S. commissioner, to establish in place thereof within the judicial branch of the Government the office of U.S. magistrate, and for other purposes; to the Committee on the Judiciary.

S. 1106. An act for the relief of Dr. David Castaneda; to the Committee on the Judiciary.

S. 1257. An act for the relief of Kuo-Hua Yang; to the Committee on the Judiciary.

S. 1398. An act for the relief of Irma Stefani Ruiz-Montalvo; to the Committee on the Judiciary.

S. 1540. An act to amend chapter 235 of title 18, United States Code, to provide for the appellate review of sentences imposed in criminal cases arising in the district courts of the United States; to the Committee on the Judiciary.

S. 1580. An act for the relief of John W. Rogers; to the Committee on the Judiciary.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1516. An act for the relief of Giuseppe Tocco;

H.R. 1703. An act for the relief of Angiolina Condello;

H.R. 1763. An act for the relief of Dr. Raul E. Bertram;

H.R. 1764. An act for the relief of Dr. Ernesto M. Campello;

H.R. 1765. An act for the relief of Dr. Ubaldo Gregorio Catasús-Rodríguez;

H.R. 3523. An act for the relief of Chang-Yu Wu, M.D.;

H.R. 4930. An act for the relief of Mr. Robert A. Owen; and

H.R. 7501. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1968, and for other purposes.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 29, 1967, present to the President, for his approval, bills of the House of the following titles:

H.R. 1516. An act for the relief of Giuseppe Tocco;

H.R. 1703. An act for the relief of Angiolina Condello;

H.R. 1763. An act for the relief of Dr. Raul E. Bertram;

H.R. 1764. An act for the relief of Dr. Ernesto M. Campello;

H.R. 1765. An act for the relief of Dr. Ubaldo Gregorio Catasús-Rodríguez;

H.R. 3523. An act for the relief of Chang-Yu Wu, M.D.;

H.R. 4930. An act for the relief of Mr. Robert A. Owen;

H.R. 5702. An act to remove the 5-acre limitation on the amount of tobacco allotment acreage which may be leased;

H.R. 7501. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1968, and for other purposes;

H.R. 8265. An act to amend the Agricultural Adjustment Act of 1938, as amended, to authorize the transfer of tobacco acreage allotments and acreage-poundage quotas; and

H.R. 10730. An act to amend the Older Americans Act of 1965 so as to extend its provisions.

#### ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 11, 1967, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

870. A communication from the President of the United States, transmitting the report of the Secretary of the Interior resulting from the national study of strip and surface mining, pursuant to the provisions of Public Law 89-4; to the Committee on Public Works.

871. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting a notification of the location, nature, and estimated cost of an additional facility project proposed to be undertaken for the Army Reserve at San Juan, P.R., pursuant to the provisions of 10 U.S.C. 2233a(1), and to the authority delegated by the Secretary of Defense; to the Committee on Armed Services.

872. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to authorize the Secretary of the Navy to adjust the legislative jurisdiction exercised by the United States over lands comprising the U.S. Naval Station, Long Beach, Calif.; to the Committee on Armed Services.

873. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting a notification of the location, nature, and estimated cost of a training facility project proposed to be undertaken for the Army National Guard at Camp Drum, N.Y., pursuant to the provisions of 10 U.S.C. 2233a(1) and pursuant to the authority delegated by the Secretary of Defense; to the Committee on Armed Services.

874. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to regulate within the District of Columbia the sale of milk, cream, and ice cream, and for other purposes"; to the Committee on the District of Columbia.

875. A letter from the Chairman, National Labor Relations Board, transmitting the 31st Annual Report of the National Labor Relations Board, for the fiscal year ended June 30, 1966, pursuant to the provisions of section 3(c) of the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

876. A letter from the Assistant Secretary, Export-Import Bank of Washington, transmitting a report of the amount of Export-Import Bank insurance and guarantees issued in connection with U.S. exports to Yugoslavia for the month of May 1967, pursuant to the provisions of title III of the Foreign Assistance and Related Agencies Appropriation Act of 1967, and to the Presidential Determination of February 4, 1964; to the Committee on Foreign Affairs.

877. A letter from the Comptroller General



of the United States, transmitting a report of review of procedures for preventing the payment of dual benefits for the same disability or death, Bureau of Employees' Compensation, Department of Labor; to the Committee on Government Operations.

878. A letter from the Comptroller General of the United States, transmitting a report of review of application of revised procedures for determining irrigation benefits to the Almena unit, Missouri River Basin project, Bureau of Reclamation, Department of the Interior; to the Committee on Government Operations.

879. A letter from the Comptroller General of the United States, transmitting a report of review of duty-free sales of certain waste produced from imported conditionally duty-free carpet wool, Bureau of Customs, Treasury Department; to the Committee on Government Operations.

880. A letter from the Chairman, Federal Trade Commission, transmitting a report concerning (A) the effectiveness of cigarette labeling; (B) current practices and methods of cigarette advertising and promotion; and (C) recommendations for legislation which are deemed appropriate, pursuant to the provisions of section 5(d)(2) of the Federal Cigarette Labeling and Advertising Act; to the Committee on Interstate and Foreign Commerce.

881. A letter from the Archivist of the United States, transmitting a report of records proposed for disposal, pursuant to the provisions of 63 Stat. 377; to the Committee on House Administration.

882. A letter from the executive director, the Military Chaplains Association of the United States of America, transmitting the Annual Report of the Military Chaplains Association of the United States of America, for the year 1966, pursuant to the provisions of Public Law 81-792; to the Committee on the Judiciary.

883. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in certain cases of aliens found admissible to the United States, pursuant to the provisions of section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

884. A letter from the general counsel, Pacific Tropical Botanical Garden, transmitting a report of audit of the Pacific Tropical Botanical Garden, for the period January 1, 1966, through December 31, 1966, pursuant to the provisions of Public Law 88-449; to the Committee on the Judiciary.

885. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of list and orders entered in cases in behalf of certain aliens, pursuant to the provisions of section 212(d)(6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

886. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

887. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

888. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved, according to certain beneficiaries third preference and sixth preference classification, pursuant

to the provisions of section 204(d) of the Immigration and Nationality Act, as amended, to the Committee on the Judiciary.

889. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize retirement credit for certain alien employees of the Foreign Service during breaks in diplomatic relations, and for other purposes; to the Committee on Post Office and Civil Service.

890. A letter from the Secretary of Transportation, transmitting the "Highway Relocation Assistance Study," pursuant to the provisions of Public Law 89-574; to the Committee on Public Works.

891. A letter from the Secretary of Transportation, transmitting the "Study of Advance Acquisition of Highway rights-of-way," pursuant to the provisions of Public Law 89-574; to the Committee on Public Works.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. GREEN of Pennsylvania: Committee on Post Office and Civil Service. H.R. 7659. A bill to amend title 13, United States Code, to provide for a mid-decade census of population, unemployment, and housing in the year 1975 and every 10 years thereafter; with amendment (Rept. No. 480). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASHMORE: Committee on the Judiciary. S. 454. An act for the relief of Richard K. Jones; with amendment (Rept. No. 475). Referred to the Committee of the Whole House.

Mr. DOWDY: Committee on the Judiciary. H.R. 3195. A bill for the relief of Eli Eleonora Bianchi (Rept. No. 476). Referred to the Committee of the Whole House.

Mr. CAHILL: Committee on the Judiciary. H.R. 3881. A bill for the relief of Despina and Christina Hatzisavvas; with amendment (Rept. No. 477). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 7427. A bill for the relief of Maria Kolometroutsis; with amendment (Rept. No. 478). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 7516. A bill for the relief of Song Sin Talk and Song Hyung Ho; (Rept. No. 479). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H.R. 11293. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. ADAMS:

H.R. 11294. A bill to provide Federal assistance to courts, correctional systems, and community agencies to increase their capability to prevent, treat, and control juvenile delinquency, to assist research efforts in the

prevention, treatment, and control of juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

H.R. 11295. A bill to provide for the establishment of a Federal Judicial Center; to the Committee on the Judiciary.

H.R. 11296. A bill to assist in combating crime by creating the U.S. Corrections Service, and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 11297. A bill to assist public and private nonprofit hospitals to carry out needed modernization and improvement projects by providing Federal guarantees of loans made for such purpose and by providing for Federal payment of part of the interest on such loans, and to encourage the development of new technology systems and concepts in the provision of health services; to the Committee on Interstate and Foreign Commerce.

By Mr. CULVER:

H.R. 11298. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

By Mr. CUNNINGHAM:

H.R. 11299. A bill to amend the Federal Firearms Act to prohibit the use in the commission of certain crimes of firearms transported in interstate commerce; to the Committee on Ways and Means.

By Mr. DAVIS of Wisconsin:

H.R. 11300. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to the Committee on Ways and Means.

By Mr. DONOHUE:

H.R. 11301. A bill to prohibit age discrimination in employment; to the Committee on Education and Labor.

H.R. 11302. A bill to amend the Anti-dumping Act, 1921; to the Committee on Ways and Means.

By Mr. FULTON of Tennessee:

H.R. 11303. A bill to amend title 18 of the United States Code to prohibit travel or use of any facility in interstate or foreign commerce with intent to incite a riot or other violent civil disturbance, and for other purposes; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 11304. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. PUCINSKI:

H.R. 11305. A bill to clarify and otherwise amend the Meat Inspection Act, to provide for cooperation with appropriate State agencies with respect to State meat inspection programs, and for other purposes; to the Committee on Agriculture.

H.R. 11306. A bill to authorize the issuance of savings bonus bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. STAFFORD (for himself, Mr.

BIESTER, Mr. BUTTON, Mr. CAHILL, Mr. DON H. CLAUSEN, Mr. CONTE, Mr. ELLENBACK, Mr. ERLÉNBOEN, Mr. ESCH, Mr. FRELINGHUYSEN, Mr. FULTON of Pennsylvania, Mr. GROVER, Mr. HALPERN, and Mr. HARVEY):

H.R. 11307. A bill to amend the Military Selective Service Act of 1967; to the Committee on Armed Services.

By Mr. THOMPSON of New Jersey (for himself, Mr. PERKINS, Mrs. GREEN of Oregon, Mr. HOLLAND, Mr. DENT, Mr. PUCINSKI, Mr. DANIELS, Mr. BRADEN, Mr. CAREY, Mr. HAWKINS, Mr. WILLIAM D. FORD, Mr. HATHAWAY, Mrs. MINK, Mr. SCHEUER, Mr. MEEDS, Mr. BURTON of California, Mr. REID of New York, Mr. ESCH, Mr. GIAMMO, and Mr. MOORHEAD):

H.R. 11308. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965; to the Committee on Education and Labor.

By Mr. WHALEN (for himself, Mr. RAILSBACK, Mr. REDD of New York, Mr. ROBISON, Mr. RUMSFELD, Mr. RUPPE, Mr. SAYLOR, Mr. SCHNEEBEL, Mr. SHRIVER, Mr. STANTON, Mr. STEIGER of Wisconsin, Mr. TAFT, and Mr. WHALEY):

H.R. 11309. A bill to amend the Military Selective Service Act of 1967; to the Committee on Armed Services.

By Mr. WRIGHT:

H.R. 11310. A bill to authorize the establishment of the Dinosaur Trail National Monument in the State of Texas; to the Committee on Interior and Insular Affairs.

By Mr. ZWACH:

H.R. 11311. A bill to amend the Railroad Retirement Act of 1937 to provide for cost-of-living increases in the annuities and pensions (and lump-sum payments) which are payable thereunder; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHWEIKER (for himself, Mr. HORTON, Mr. KEITH, Mr. KUPPERMAN, Mr. LATTA, Mr. MCDADE, Mr. MACGREGOR, Mr. MATHIAS of Maryland, Mr. MESKILL, Mr. MORSE, Mr. MORTON, Mr. MOSHER, and Mr. MYERS):

H.R. 11312. A bill to amend the Military Selective Service Act of 1967; to the Committee on Armed Services.

By Mr. HICKS:

H.R. 11313. A bill to provide additional benefits for optometry officers of the uniformed services; to the Committee on Armed Services.

By Mr. PELLY:

H.R. 11314. A bill to permit surplus nursery stock to be used for noncommercial beautification purposes; to the Committee on Agriculture.

By Mr. CHARLES H. WILSON:

H.R. 11315. A bill to amend title 39, United States Code, to provide that postmasters and other employees in the postal field service shall receive at all times basic compensation in excess of the basic compensation of any employee under his supervision and direction; to the Committee on Post Office and Civil Service.

By Mrs. SULLIVAN:

H.J. Res. 691. Joint resolution extending greetings and felicitations to St. Louis University in the city of St. Louis, Mo., in connection with the 150th anniversary of its founding; to the Committee on the Judiciary.

By Mr. BEVILL:

H. Res. 725. Resolution expressing the sense of the House of Representatives with respect to the establishment of permanent peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. BINGHAM:

H. Res. 726. Resolution concerning peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. BRAY:

H. Res. 727. Resolution providing for a thorough review of U.S. policy toward the U.S.S.R.; to the Committee on Foreign Affairs.

By Mr. MCCLURE:

H. Res. 728. Resolution expressing the sense of the House of Representatives with respect to the establishment of permanent peace in the Middle East; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

247. By Mr. ULLMAN: Memorial of the Oregon Legislative Assembly, 1967 regular session, relative to the appropriation of moneys necessary for rehabilitation of the public grazing lands in the State of Oregon; to the Committee on Appropriations.

248. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the proposal by the Department of the Interior for withdrawal from all forms of mineral location or leasing of all those lands of the public domain valuable or prospectively valuable for geothermal steam; to the Committee on Interior and Insular Affairs.

249. Also, memorial of the Legislature of the State of California, relative to the deferring of action with respect to any license application for the development of the Middle Fork of Feather River in any pending wild rivers system in California; to the Committee on Interior and Insular Affairs.

250. Also, memorial of the Legislature of the State of Florida, relative to protective tariffs on imported agricultural products; to the Committee on Ways and Means.

251. Also, memorial of the Legislature of the State of Oregon, relative to appropriation of moneys necessary for rehabilitation of the public grazing lands in Oregon; to the Committee on Appropriation.

252. Also, memorial of the Legislature of the State of South Carolina, relative to protective tariffs on imported agricultural products; to the Committee on Ways and Means.

253. Also, memorial to the Legislature of the State of Texas, relative to an amendment to the Constitution of the United States which would return, without restriction, 5 percent of individual and corporate income tax collections to the 50 States of the Union; to the Committee on the Judiciary.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 11316. A bill for the relief of Shigeyasu Matoba; to the Committee on the Judiciary.

H.R. 11317. A bill for the relief of Andrea Ribaud; to the Committee on the Judiciary.

H.R. 11318. A bill for the relief of Filippo LiParoto; to the Committee on the Judiciary.

H.R. 11319. A bill for the relief of Vincenzo Acerno; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H.R. 11320. A bill for the relief of Jose Joaquim Bulhoes; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 11321. A bill for the relief of Michele and Ivana Tiriticco; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 11322. A bill for the relief of Ricardo Signaciana Rosario; to the Committee on the Judiciary.

By Mr. PETTIS:

H.R. 11323. A bill for the relief of Jozsef Jutasi and his wife, Gizella Jutasi; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 11324. A bill for the relief of Dr. Nagarapu Reddy; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 11325. A bill for the relief of Nellina F. Mirjah; to the Committee on the Judiciary.

By Mr. SIKES:

H.R. 11326. A bill for the relief of Kenneth E. Ashton; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 11327. A bill for the relief of John L. Wolfe; to the Committee on Merchant Marine and Fisheries.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

120. By the SPEAKER: Petition of the Communications Workers of America, Washington, D.C., relative to situs picketing; to the Committee on Education and Labor.

121. Also, petition of Henry Stoner, Portland, Ore., relative to antiriot act legislation; to the Committee on Rules.

## EXTENSIONS OF REMARKS

### Postal Problems and Salaries

#### EXTENSION OF REMARKS

OF

### HON. DONALD RUMSFELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1967

Mr. RUMSFELD. Mr. Speaker, the need for the development of legislation to improve and advance the postal service and the working conditions and salaries of career postal employees is most urgent. On several occasions in the past, I have called attention to the inadequacies and inefficiencies of the postal service in the 13th Congressional District of

Illinois. I have discussed these problems with postal employees who have repeatedly emphasized that the major obstacles to the improvement of postal service are the constant turnover of personnel and the difficulty of recruiting high-caliber employees, due to the level of salaries and the working conditions which, I have been told, are not conducive to high morale in many instances.

The Congress must find an acceptable and effective solution. Bills have been introduced, on which hearings have been held, to reclassify the levels of positions in the postal field service in an effort to attract qualified personnel to the service. I am hopeful that the House Committee on Post Office and Civil Service will give particular attention to the prob-

lem of employee turnover and full consideration to the steps that have been proposed to meet this problem, including the reclassification of postal positions.

I would also urge once again that the concept of pay differentials, based on cost-of-living data, be thoroughly explored. What may be a fair wage in one section of the country may not be a fair or even a livable wage in another area. The Chicago metropolitan area, for example, is one of the highest cost-of-living areas in the country. Based on the 1959 comparison study of 20 cities, the latest such study conducted by the Bureau of Labor Statistics, the Chicago area ranked with Seattle, Wash., as the most expensive section in the United States.